

# DAILY REPORT

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*China*

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XINHUA VIEWS FRANCO-SOVIET TIES, ARMS TALKS

OW191830 Beijing XINHUA in English 1527 GMT 19 Feb 83

[Text] Moscow, February 18 (XINHUA) -- Claude Cheysson, French minister for external relations, said today France will not participate in the Geneva talks on limiting nuclear missiles in Europe. After meeting with Soviet Foreign Minister Andrey Gromyko for eight and half hours over the past two days, Cheysson told a news conference that France is the master of its own nuclear power which is "independent of our allies."

Conceding that he and his hosts disagreed about the nuclear balance in Europe, Cheysson said that Moscow's deployment of its SS-20 missiles has "upset" this balance which existed in Europe. He said that this situation poses a threat to Western countries, especially to Federal Republic of Germany, the Netherlands and Italy who have no effective deterrent to the Soviet missiles. The nuclear balance has to be restored, he stressed, adding that the United States and the Soviet Union should endeavor to bring about successful results in their Geneva talks. Otherwise, he said, U.S. nuclear weapons will be deployed in those West European countries without nuclear arms.

On Franco-Soviet relations, Cheysson pointed out that France has suffered an adverse trade balance in the past few years. But he said France will try to bring it back to balance. He said France will continue to execute the agreement on buying Soviet natural gas. Nothing and nobody can prevent France from developing economic relations with the Soviet Union and other East European countries so long as these relations are not linked with security problems, he added.

SOVIET NEGOTIATOR TABLES NEW PROPOSALS IN VIENNA

OW180832 Beijing XINHUA in English 0733 GMT 18 Feb 83

[Text] Vienna, February, 17 (XINHUA) -- Soviet negotiator Valeriy Mikhaylov today proposed for an initial U.S. and Soviet cutback of forces in central Europe as "mutual example" of their intentions to reduce military confrontation. Mikhaylov made what he called the "fundamentally new and inherently simple" proposal to break the deadlock of the negotiation when speaking for the Warsaw Pact countries at the 330th plenary session of central Europe arms reduction talks.

The Soviet negotiator said an agreement should be reached to reduce the NATO and Warsaw Pact forces in central Europe "to equal collective levels of 900,000 men on each side, irrespective of the number of troops they have now." Mikhaylov also proposed for "freezing" the levels of the armed forces and armaments of "all direct participants of negotiations" until an agreement is reached on larger reductions of their forces after the U.S. and Soviet troop withdrawals.

Speaking at a press briefing today, a NATO spokesman declared the organization will "examine precisely and adequately" the three-point proposal by the Warsaw Pact, but declined to comment on its contents. However, Dutch negotiator Willem de Vos van Steenwijk, speaking for NATO countries, said any proposals "must take into account basic security concerns of all participants."

The 10-year-long Vienna negotiations, on reducing some two million troops facing each other in central Europe, are stalled by a dispute over present manpower strengths, and ways of monitoring an accord. NATO maintains that the Warsaw Pact has 150,000 to 160,000 more men in central Europe, while the latter speaks of an "approximate balance" of forces in the region.



XINHUA CITES SHULTZ ON U.S., PRC, TAIWAN

OW191630 Beijing XINHUA in English 1611 GMT 19 Feb 83

[Text] Washington, February 18 (XINHUA) -- Secretary of State George Shultz today talked about "the importance of relationship with the People's Republic of China" while stressing the so-called U.S. "commitment" to Taiwan.

In his first public statement on U.S.-Chinese relations after he returned to Washington from his Asian trip, Shultz said: "I believe that it is important to have a reasonable relationship with that country. It is a vast country. It is an important country. It is going to develop, develop very strongly, I am sure."

He acknowledged at the Conservative Political Action Conference that "the Chinese on Taiwan and the Chinese on the mainland both agree that Taiwan is part of China," and "that is their problem to work that out." But on the question of how to resolve the Taiwan issue, a pure internal affair of China, he said: "Whatever composure of the issues comes about, it must be by peaceful means, and therefore as specified in the Taiwan Relations Act, we will sell the armaments to Taiwan needed to uphold that idea."

He said: "If there is a peaceful situation, one could expect the level of armaments to decline. But that doesn't change our commitment that any resolution of the issues would be by peaceful means."

The secretary believed the United States "can do so and do so with honor to our commitments to long-standing friends (i.e. the Taiwan authorities -- editor) and with a sense of reason and a good sense about the importance of relationship with the People's Republic of China." But he himself admitted "this is one of the issues that makes our relationship with the People's Republic of China difficult to achieve," the kind of relationship the United States wants.

XINHUA NEWS ANALYSIS OF BUSH, SHULTZ TOURS

OW201410 Beijing XINHUA Domestic Service in Chinese 0001 GMT 17 Feb 83

[News analysis by Yang Wenke: "Why Did Top U.S. Government Leaders Visit Europe and Asia? -- the United States Launches a Pincer Movement Against the Soviet Union -- exclusively for YANGCHENG WANBAO"]

[Text] Beijing, 17 Feb (XINHUA) -- Just as U.S. Vice President Bush ended his visit to seven European countries, Secretary of State Shultz also concluded his Asian tour. What was the purpose of these two important American Government leaders' separate trips to Europe and Asia at the same time? Public opinion in the West regards it as a diplomatic pincer movement launched by the Reagan administration in Europe and Asia against the Soviet Union's "peace offensive."

Bush's Visit to Europe

Europe is the focus of contention between the United States and the Soviet Union. For a long time, the two superpowers have spared no effort in the arms race on the European Continent, each trying to win the upper hand in strategic nuclear forces. Whether the United States can maintain a military equilibrium with the Soviet Union in Europe is a fundamental question in the American global strategy. In recent years, however, American-European relations have only been lukewarm, as seen from their uncoordinated steps in their strategies toward the Soviet Union and continuing trade frictions proceeding from a "position of strength." The United States has adopted a policy of "confronting" the Soviet Union on all fronts, while Western Europe has stressed "defense plus detente," trying to use detente to restrain Soviet arms expansion. Trade frictions between the United States and Western Europe have been temporarily solved after repeated consultations and Shultz's visit to Western Europe last year. The main purpose of Bush's visit to Western Europe was to consult with the allies on the question of the U.S.-Soviet talks on reduction of medium-range nuclear weapons in Europe in order to iron out the differences between the United States and Europe.

Since the North Atlantic Treaty Organization decided in December 1979 to deploy new American guided missiles in Europe in 1983, the United States and the Soviet Union have attacked each other on the question of guided missiles in Europe. No progress has been made in the U.S.-Soviet talks on reduction of medium-range nuclear weapons in Europe. The American side insists that if no agreement can be reached at the current talks in Geneva, NATO will deploy 572 Pershing II and cruise missiles in West Germany, Britain, Italy, the Netherlands and Belgium as scheduled, of which all the Pershing II guided missiles, the most powerful, will be deployed in West Germany. Therefore, the Soviet Union, trying to get a head start, launched a "peace offensive" and put forward a number of new proposals around the New Year's Day. The Soviet Union has indicated that it is not only willing to reduce the number of medium-range guided missiles, but also to destroy some of them and that some can be moved to other places. The Soviet Union also sent Foreign Minister Gromyko to visit West Germany, using both hard and soft tactics in an attempt to soften West Germany, make a breakthrough point there and, thus frustrate the NATO plan to deploy American medium-range guided missiles.

Because of the rise of the antinuclear peace movement, partisan politics and domestic political instability, some Western European countries which formerly showed indifference toward the Soviet proposals have become interested in them. Some politicians even demanded that the United States seek "a new compromise proposal" in the Geneva talks. Under such circumstances, Reagan decided to let his deputy explain the American stand to the allies and coordinate action with them through consultations in order to save the confusion among the Western European allies on the question of medium-range guided missiles in Europe.

Judging from the published statements, through Bush's visit the United States and Western Europe have achieved a unanimous view on the question of medium-range guided missiles, stressing the validity of the 1979 decision by NATO and maintaining its unity. At the same time, the United States has also accepted the suggestions of some Western European countries by showing a certain "flexibility" on deploying new medium-range guided missiles.

#### Shultz' Visit to East Asia

While Bush was visiting Western Europe, Shultz embarked on a long trip to East Asia. International public opinion regarded Shultz' mission as an offensive against the Soviet Union's strategy in Asia. Shultz said that his trip -- was sent by President Reagan -- "highlights Asia's important position in the President's global policy."

People have noted that Shultz' trip began after Japanese Prime Minister Nakasone visit South Korea and the United States. Nakasone's visit to south Korea was a new step to coordinate U.S. strategy in Asia. Nakasone promised a \$4 billion loan to the South Korean authorities, thereby alleviating the U.S. financial burden. Japan's decisions to export military technology to the United States and increase the defense budget, and its willingness to undertake the "defense matters" in Asia are the important actions taken to strengthen U.S.-Japanese strategic relations in Asia. The main purpose of Shultz' visit to Tokyo and Seoul was obviously to consolidate and strengthen U.S. strategic relations with Japan and the South Korean authorities.

In addition, Shultz also visited China. According to Shultz, the purpose of his visit to China was to "resume the dialogue, which is beneficial to the peoples of the two countries." A senior U.S. official said that Shultz' visit was "an important step to expand U.S.-Chinese relations and enable them to have a stable and lasting foundation." Some international public opinion held that one of the purposes of the U.S. effort to resume the dialogue with China was to restrain, in a certain way, the Sino-Soviet talks. Shultz' 4-day visit to China gave both sides the opportunity to exchange views and understand each other's stand. Both sides agreed that stable and lasting relations between China and the United States are in line with the interests of the people of the two countries, as well as conducive to the world's peace and stability. However, the two sides still failed to eliminate the differences on the Taiwan question and in Sino-American bilateral relations.

HU SAYS PRC-USSR TALKS TO RESUME 1 MARCH

OW210127 Tokyo KYODO in English 0110 GMT 21 Feb 83

[Text] Wuhan, Feb 21, KYODO -- Hu Yaobang, general secretary of the Chinese Communist Party, has told Susumu Nikaido, secretary general of the Japanese Liberal-Democratic Party, that the second round of working level normalization talks between China and the Soviet Union would resume in Moscow from March 1, officials said.

Hu was quoted by the officials as expressing his view that the situation did not warrant particular optimism.

The first round of vice foreign ministers' talks was held in Beijing last October between Chinese Vice Foreign Minister Qian Qichen and Soviet counterpart Leonid Ilichev.

The second-round talks will be participated in by Chinese delegate Qian from Beijing and either Ilichev or Mikhail Kapitsa, newly-appointed Soviet vice foreign minister, officials said. Discussions at the second-round talks are expected to center on the promotion of the personnel exchange program in the cultural, scientific and technology fields.

PRC-USSR BORDER TRADE 'ABOUT TO REOPEN'

OW211420 Hong Kong AFP in English 1413 GMT 21 Feb 83

[Text] Beijing, Feb. 21 (AFP) -- A province in northern China is about to reopen border trade with the Soviet Union, interrupted by the disagreement between the two countries in the 1960's. A reliable source said here today that a Soviet delegation was due in the next few days at Harbin, capital of Heilongjiang Province, to iron out terms for the operation of two border trade centers created under the conditions of an agreement signed last year between Beijing and Moscow.

Representatives from Heilongjiang and the Soviet Far East Region met last year in the Soviet town of Khabarovsk to discuss the problem. The source said that the agreement, which will be worked out in the next few days, should allow the Soviet Union to exchange wood and mechanical products for agricultural produce, in particular Chinese fruit. No indication was given of the expected volume of the border trade, but Western experts estimate that it could reach around \$2.5 million in the first year. Last year, Sino-Soviet trade reached around \$300 million.

ZHAO: PRC-USSR TIES CANNOT RETURN TO 1950'S

OW192030 Hong Kong AFP in English 2026 GMT 19 Feb 83

[Excerpt] Beijing, Feb. 19 (AFP) -- Sino-Soviet relations will never again be based on the unconditional alliance of the 1950's, Chinese Prime Minister Zhao Ziyang told Japanese Prime Minister Yasuhiro Nakasone's special envoy Susumu Nikaido today according to Japanese sources here. Mr. Zhao said China's policy towards the Soviet Union was on one hand based on opposition to all hegemony and on the other on the pursuit of normalisation of relations. The Chinese Government's attitude to hegemony had not changed and there could [be] no going back to the fifties when China and the Soviet Union were one "solid rock," he said. Talks between the two countries reopen in Moscow next month.

In talks earlier with Chinese Foreign Minister Wu Xueqian, Mr Wu told Mr Nikaido that any transfer of Soviet nuclear missiles away from Europe and towards Siberia would constitute a serious threat to Asian countries and would do nothing to reduce tension in Europe.

Mr Nikaido, secretary general of the ruling Liberal Democratic Party, is the first high-ranking Japanese to visit China since Mr Nakasone's election in November last year.

He handed over a letter to Mr Zhao from Mr Nakasone in which the Japanese Prime Minister expressed his desire to improve friendly relations between China and Japan.

USSR JOURNALIST'S VISIT 'ONLY' FOR FACT-FINDING

OW220654 Hong Kong AFP in English 0630 GMT 22 Feb 83

[Text] Beijing, Feb. 22 (AFP) -- A prominent Soviet journalist currently visiting Beijing will this week meet several Chinese Foreign Ministry officials, a Soviet source said here today. Aleksandr Bovin, one of the top political commentators of the Soviet Government newspaper IZVESTIYA, will notably confer with Ma Xusheng, who once served in the Chinese Embassy in Moscow and is now the head of the ministry's Soviet and East European Affairs Department, the source added. But a foreign minister spokesman refused to confirm or deny reports that Mr Bovin would meet Mr Ma before the latter leaves here for Tokyo on Friday.

Mr Bovin's visit here will be the first by a political commentator from a major Soviet newspaper since the 1960's.

Mr Bovin, who arrived in Beijing February 9 at the invitation of the Soviet Embassy in Beijing, has visited several leading Chinese newspapers' offices in the past days. He also paid a courtesy call on the new head of the Foreign Ministry's Information Department, Qi Huaiyuan, official Chinese sources said.

Although the Soviet source said that Mr Bovin only came to Beijing on a fact-finding mission, his visit does come only days before the Sino-Soviet normalisation talks are due to resume in Moscow. Some (?diplomats here) believe Mr Bovin may have been sent to lay the groundwork for the second round of Sino-Soviet talks due to open next Tuesday in the Soviet capital.

The first round of talks, officially termed "consultations," took place in Beijing last October and produced no real progress as both sides merely spelt out their respective positions.

Chinese Communist Party General Secretary Hu Yaobang hinted on Sunday during a meeting with Japanese special envoy Susumu Nikaido that China was not too optimistic about the outcome of the coming Moscow talks. Mr Hu reiterated what Beijing sees as the three main obstacles to a Sino-Soviet normalisation: the massive deployment of Soviet troops on China's borders, the Soviet occupation of Afghanistan and Soviet support for Vietnam's military control of Cambodia. But he added that China still sincerely hoped all [as received] to normalise its ties with Moscow.

The Soviet source meanwhile indicated that Mr Bovin would also meet Huan Xiang, a foreign policy expert and an adviser at the Chinese Academy of Social Sciences. Mr Huan, a journalist for many years and also a former diplomat, held several diplomatic posts in Eastern Europe.

NEW SOVIET SS-20 MISSILE BASE IN SIBERIA REPORTED

OW210535 Beijing XINHUA Domestic Service in Chinese 1156 GMT 18 Feb 83

[Text] Beijing, 18 Feb (XINHUA) -- News from Washington: U.S. intelligence organization sources disclosed on 17 February that the Soviet Union is presently starting to build a new SS-20 guided missile launching base in Siberia. The sources stated: The new launching base is located at Barnaul, approximately 320 km south of Novosibirsk. The base will be equipped with the nine guided-missile launching devices. This is the 12th SS-20 guided missile launching base known to be in Siberia so far.

According to Western estimates, the Soviet Union presently owns 330 SS-20 guided missiles, of which two-thirds are deployed in Europe.

USSR PROPOSES TEST BAN VERIFICATION PLAN

OW181727 Beijing XINHUA in English 1647 GMT 18 Feb 83

[Text] Geneva, February 18 (XINHUA) -- The Soviet Union, which had long rejected international verifications of disarmament agreements, put forth yesterday a new proposal on a system of on-site inspections for a nuclear test ban. Soviet delegate Viktor Israelyan told the 40-nation Geneva Committee on Disarmament (CD) that the would-be signatories to a future treaty banning nuclear testing could demand on-site inspections if they suspected violations of the ban and could complain to the U.N. Security Council if their requests were not granted. Under the proposal, the treaty's signatories should undertake "to cooperate in carrying out any investigations which the Security Council may initiate."

Some Western delegates noted that there was nothing new in the Soviet proposal, since any of the five permanent members could veto any initiative at the Security Council. U.S. delegate to the CD Louis Fields said that the Soviet proposal sounded like "old tunes," but his country would "examine it carefully."

Nuclear test ban in one of the main items on the agenda of the CD. Last year a working group for negotiating this question was set up. However, France and China have declared that they will not take part in the working group.

ENVOY TO MOSCOW ATTENDS SPRING FESTIVAL PARTY

OW190152 Beijing XINHUA in English 0139 GMT 19 Feb 83

[Text] Moscow, February 18 (XINHUA) -- An evening get-together was held here today to celebrate the Chinese Spring Festival under the auspices of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries, the Soviet-Chinese Friendship Society and the First East Asia Department of the Soviet Foreign Ministry.

Ambassador Yang Shouzheng and other diplomats of the Chinese Embassy here were present of invitation.



Mikhail Kapitsa, vice-chairman of the Soviet-Chinese Friendship Society and deputy foreign minister, presided over the ceremony. Bernov, vice-chairman of the presidency of the Union of Societies for Friendship and Cultural Relations With Foreign Countries, and Sergey Tikhvinskiy, first vice-chairman of the Soviet-Chinese Friendship Society, were present on the occasion. Noted Soviet artists gave wonderful performances at the get-together.

FRENCH FOREIGN MINISTER VISITS MOSCOW 16-21 FEB

17 Feb Talks With Gromyko

OW180921 Beijing XINHUA in English 0738 GMT 18 Feb 83

[Text] Moscow, February 17 (XINHUA) -- Visiting French Foreign Minister Claude Cheysson and Soviet Foreign Minister Andrey Gromyko held talks here today on the problems of the present world situation and bilateral affairs, according to TASS.

The 15-member French delegation headed by Claude Cheysson arrived here yesterday for a two-day official visit to the Soviet Union.

Speaking at a lunch in his honour, the French foreign minister expressed French support for the Soviet-U.S. Geneva talks on reducing Euromissiles but reiterating that the French force "is and will remain independent" and could not be taken into account at the Geneva negotiations "by two overarmed superpowers." Referring to the talks, Cheysson added that France could not accept that its security be imperilled or become dependent on others, even if they were allies.

As to the Warsaw Pact proposal for a non-aggression treaty with NATO, Cheysson said that the ideas of non-aggression and non-use of force were often mentioned. He stressed that where such principles had been violated in Europe, (?as) in Asia, there should be a solution which protected the legitimate interests and security of all parties involved, and the respect of the peoples concerned to independence and self-determination.

In his toast, Soviet Foreign Minister Andrey Gromyko appealed to France to accept a Warsaw Pact proposal for a non-aggression treaty with NATO. He said that if the NATO deployment went ahead then "it would be naive to believe that the Soviet Union will not adopt appropriate measures to prevent a disruption of the existing balance." He added that the American "zero option" proposal was aimed not at reaching agreement with the Soviet Union but at basing U.S. missiles in Western Europe at any price.

The two foreign ministers signed today a new 10-year agreement on scientific and technical cooperation, TASS reported. French-Soviet scientific cooperation has been particularly close in space research.

Received by Andropov

OW211852 Beijing XINHUA in English 1830 GMT 21 Feb 83

[Text] Moscow, February 21 (XINHUA) -- Soviet leader Yuriy Andropov received French Minister of Foreign Relations Claude Cheysson here today, according to a TASS report. They discussed international questions including Soviet proposals for the reduction of medium-range nuclear weapons. The two expressed the conviction that there are good prospects for the further development of cooperation between the Soviet Union and France in various areas. Cheysson delivered a personal message from French President Francois Mitterrand to Andropov. Cheysson left here for home today at the end of his visit.

## RENMIN RIBAO Comment

HK181236 Beijing RENMIN RIBAO in Chinese 18 Feb 83 p 6

["Special Dispatch" by Zhao Xiangqian [5049 6272 0051] and Ma Weimin [7456 3634 3046]:  
"Claude Cheysson Goes to Moscow Trying To Improve French-Soviet Relations"]

[Text] Paris, 16 Feb -- French Minister of External Relations Claude Cheysson arrived in Moscow on 16 February for a 5-day visit. This is his first visit to the Soviet Union since the Socialist Party took power nearly 2 years ago. The visit has drawn the attention of public opinion. France and the Soviet Union had maintained a so-called "special relationship" for a long time. However, such a relationship changed and became tense as a result of the Soviet intrusion into Afghanistan and the large-scale deployment in Europe of SS-20 guided missiles by the Soviet Union. It has become even more strained since the Socialist Party came to power. External Relations Minister Cheysson repeatedly declared that political relations between France and the Soviet Union hardly can be normalized as long as Soviet troops are in Afghanistan. This position by France has been attacked by the Soviet press. It does not appear that the current visit by the French external affairs minister to Moscow indicates that France has changed its position. Therefore, a dialogue between the two states is still difficult.

Nevertheless, Cheysson's visit indicates that relations between the two countries have improved to some extent. Politically, France stresses the point that it stands by its Western allies, but economically, it does not agree with the U.S. economic sanctions against the Soviet Union. On the issue of banning the sale of gas pipeline equipment to the Soviet Union, France was the first to rise against the U.S. action. This has provided France and the Soviet Union with certain conditions to start a dialogue on relations between the two states, particularly on economic problems. The change of Soviet leaders also brought about an opportunity to improve relations. President Mitterrand of France once expressed the desire to push relations between the countries "to a new stage."

It is understood that bilateral trade between the two countries is one of the most important issues with which France is concerned. In recent years, the total volume of trade between France and the Soviet Union has increased rapidly. France had enjoyed a favorable trade balance with the Soviet Union for a long time, but the balance became adverse after 1980, and the gap is now becoming bigger. France's trade deficit was 4.65 billion francs in 1980, 8.37 billion in 1981, and 9.5 billion in 1982. France strongly wishes to narrow the gap. Moscow knows this fairly well. At a meeting of the French-Soviet joint commission held last month, the Soviet side consented to "solve the adverse balance within 2 years." However, newspapers here are not optimistic about prospects for French-Soviet trade. LE MONDE pointed out that since the organization for economic cooperation and development has raised the interest rate of credit to the Soviet Union, France would lose its favorable conditions to offer export credit to the Soviet Union. A news analyst of LE MATIN said that even if a good balance of trade could be realized between France and the Soviet Union, it "would not last long," because France would greatly increase its import of natural gas from the Soviet Union from 1984.

It is anticipated that the problem of missiles in Europe will become another major subject in French-Soviet talks. The Soviet Union is attempting to bring French nuclear strength into its nuclear talks with the United States, yet France is strongly opposed to this. On the Soviet intention of driving a wedge between the United States and Europe, President Mitterrand pointed out: "Those who intend to sow discord between North America and the Continent are considered to be undermining the balance of power in Europe and jeopardizing peace."

Cheysson's visit is likely to result in some improvement in French-Soviet relations. But, in view of the present international situation, the great difference of views on the issue of Afghanistan and the problem of missiles in Europe, and the existence of many pending problems in bilateral trade, it seems difficult to make big strides in French-Soviet relations in the near future.



REPORTAGE ON JAPANESE SPECIAL ENVOY'S VISIT

## Talks With Wu Xueqian

OW190110 Beijing XINHUA Domestic Service in Chinese 1503 GMT 18 Feb 83

[Text] Beijing, February 18 (XINHUA) -- Chinese Foreign Minister Wu Xueqian today held his first round of talks with Susumu Nikaido, special envoy of Japanese Prime Minister Yasuhiro Nakasone and secretary general of the ruling Liberal Democratic Party [LDP]. Sources said that the two men exchanged views on the enhancement of Sino-Japanese relations in a sincere and friendly atmosphere.

Wu said the Chinese Government attaches great importance to friendly relations and cooperation between the two countries. The Chinese Government would not change its policy of developing Sino-Japanese friendship and cooperation on the principle of peace and friendship, equality and mutual benefit, and long-term stability.

Enhancement of Sino-Japanese relations conforms to the fundamental interests and the common desire of the two peoples, he said. It also benefits peace and stability in the Asia-Pacific region and the rest of the world.

During the 10 years since Sino-Japanese diplomatic relations were normalized in 1972, he said, bilateral relations developed smoothly in the political, economic, scientific and technological fields, as well as in people-to-people exchanges.

He said Sino-Japanese relations should not be affected by the vicissitudes in the international situation. The Chinese Government sincerely hoped to see the strengthening of bilateral relations, which should develop more markedly in the next 10 years.

The exchange of visits between leaders of the two countries in 1982, Wu said, increased mutual understanding and friendship and voiced a common aspiration -- that is, that Sino-Japanese relations of friendship and cooperation will be developed even better and on a broader scale over the next 10 years.

The foreign minister said Prime Minister Nakasone had reiterated on many occasions that he treasured the friendly relations between the two countries. The Chinese side appreciated his sending of a special envoy to China to explain the Japanese Government's domestic and foreign policies and exchange views with the Chinese Government over issues of common interest, Wu added.

Nikaido said that Prime Minister Nakasone has made public his strong desire to strengthen Japan's relations with China. He is determined to advance the good relations between Japan and China fostered by the previous cabinets. The Nakasone Cabinet cherishes the development of Japan-China relations more than its predecessors, Nikaido said. Prime Minister Nakasone himself has undertaken to carry on what former Prime Minister Zenko Suzuki had achieved in his talks with the Chinese premier during his visit to China.

Nakasone has also reaffirmed his acceptance of the principle of peace and friendship, equality and mutual benefit, and long-term stability proposed by Premier Zhao Ziyang during his visit to Japan, Nikaido said. The new prime minister said he was ready to further Japan-China relations in the spirit of this principle.

The Japanese special envoy said the Nakasone Cabinet would give full consideration to China's economic policy which stresses the development of energy and communications and would cooperate with China as far as possible.

The two sides also briefed each other on the external policies of their governments and changed views on issues of common concern.

On Japan's defense, Nikaido said his government's defense policy is anchored on Japan's Constitution for peace and Japan is determined not to become a military power.

Wu Xueqian said Japan's defense is its own internal affairs. As an independent and sovereign country, he said, Japan is entitled to maintain an armed force for defense against external threats, but such an armed force should be defense-oriented and of appropriate size so it would not constitute a threat to its friendly neighbors, the foreign minister said.

Those on the Japanese side who attended the talks included Wataru Hiraizumi, member of the Japanese House of Representatives and director of the Liberal Democratic Party's International Bureau; Kazuo Shinoya and Keiwa Okuda, members of the Japanese House of Representatives and LDP deputy secretary generals; Ichiro Nakanishi, member of the Japanese House of Representatives and LDP deputy secretary general; and Yasue Katori, Japanese ambassador to China.

Those who participated in the talks on the Chinese side included Fu Hao, adviser to the minister of foreign affairs; Liu Shuqing, assistant minister of foreign affairs and director of the Foreign Ministry's Asian Affairs Department; and others.

Nikaido arrived in Beijing by special plane this afternoon for an official friendship visit at the invitation of the Chinese Government. Welcoming him at the airport were Wu Xueqian, minister of foreign affairs; Fu Hao, adviser to the minister of foreign affairs; and others.

#### U.S., Korea Discussed

OW190850 Beijing XINHUA in English 0804 GMT 19 Feb 83

[Text] Beijing, February 19 (XINHUA) -- Chinese Foreign Minister Wu Xueqian today continued talks with Susumu Nikaido, special envoy of Japanese Prime Minister Yasuhiro Nakasone, and secretary general of the ruling Liberal Democratic Party. It was learned that the two sides exchanged views on present international situation and world issues of common interest.

The special envoy gave an account of the Nakasone Cabinet's foreign policy and the prime minister's recent visits to the United States and South Korea. He stressed the importance of the development of relations between Japan and the U.S. He said that developing relations between Japan and the U.S. is a fundamental point of Japan's foreign policy.

Nikaido said: "The Japanese Government wishes to see well developed Sino-American relations. This is an important factor for safeguarding peace and stability in Asia and in the world."

Referring to the situation in the Korean Peninsula, Wu Xueqian said: "At present, the Korean Peninsula is in a state of partition. The Democratic People's Republic of Korea (DPRK) has always advocated that the Korean Peninsula realize independent and peaceful reunification without any foreign interference.

"The Chinese Government supports this reasonable goal. We hold that the U.S. should withdraw its troops from South Korea, cease interference in Korea's internal affairs, so as to realize Korea's peaceful reunification through dialogues between the South and the North."

Wu said: "After Prime Minister Nakasone returned to Japan on his visit to South Korea, the Japanese Government stated that Japan would not adopt a hostile policy towards the northern part of Korea and was willing to strengthen contacts with it."

Wu said: "We hope that the Japanese Government will make efforts through concrete actions favorable to the stability in the peninsular and to the realization of independent and peaceful reunification in Korea."

Wu Xueqian said he appreciated the Japanese Government's position on strengthening economic cooperation and friendly relations with the Association of Southeast Asian Nations (ASEAN).

#### 18 Feb Banquet

OW181419 Beijing XINHUA in English 1603 GMT 18 Feb 83

[Text] Beijing, February 18 (XINHUA) -- Foreign Minister Wu Xueqian gave a banquet here this evening welcoming the Japanese prime minister's special envoy Susumu Nikaido.

Wu Xueqian said: "Last year our two countries celebrated the historic 10th anniversary of the normalization of diplomatic relations. And this year we have ushered in the second decade, which is full of good hopes." "We are satisfied with the smooth development of Sino-Japanese relations," he stated.

He said that since Yasuhiro Nakasone assumed office as Japan's prime minister, he has stressed the great significance of Sino-Japanese relations on many occasions. The prime minister has expressed his willingness to continue effort to develop Sino-Japanese relations and further establish the unshakable relations of trust between the two countries. "The Chinese Government would like to extend its appreciation of and welcome for such a friendly attitude taken by Prime Minister Nakasone," he said.

He said: "The world today is in a grave and ever-changing situation. This demands the two governments further strengthen their contacts, exchange often their views on bilateral relations and the world situation that are of common concern so as to strengthen their relations in a more effective way, and make due contributions to safeguarding peace and stability in Asia and the Pacific region."

Susumu Nikaido said this is his fifth visit to China. In the past 10 years and more, he said, friendship and cooperation between the two countries have been developed. He said that the aim of his visit is to convey to the Chinese friends Prime Minister Nakasone's firm determination to continue to strengthen and develop the friendly Japanese-Chinese relations. The Japanese special envoy said that this year is an important year for the development of bilateral relations for the next decade. He said: "We are looking forward to conducting closer and more fruitful cooperation in various fields on the basis of mutual understanding and mutual trust." He said he hoped that his present visit would be successful.

#### Meets Liao Chengzhi

OW191122 Beijing XINHUA in English 1113 GMT 19 Feb 83

[Text] Beijing, February 19 (XINHUA) -- Liao Chengzhi, vice-chairman of the Standing Committee of the National People's Congress, met here this afternoon with Susumu Nikaido, special envoy of Japanese Prime Minister Yasuhiro Nakasone and secretary general of the ruling Liberal Democratic Party, and his party.

Liao Chengzhi, also president of the China-Japan Friendship Association, had a friendly talks with the guests. Present at the meeting were Fu Hao, adviser to the Ministry of Foreign Affairs, and Yasue Katori, Japanese ambassador to China.

#### Meets Gu Mu

OW191810 Beijing XINHUA in English 1507 GMT 19 Feb 83

[Text] Beijing, February 19 (XINHUA) -- Chinese State Councillor Gu Mu met with the Japanese prime minister's special envoy Susumu Nikaido and his party at the Great Hall of the People here this evening. They had a cordial conversation on the subject of strengthening economic cooperation between the two countries. After the meeting, Gu Mu gave a dinner in honor of the Japanese guests.

Present at the meeting and dinner were Fu Hao, adviser to the Chinese Ministry of Foreign Affairs, and Yasue Katori, Japanese ambassador to China.

#### Meeting With Zhao

OW191534 Beijing XINHUA in English 1459 GMT 19 Feb 83

[Text] Beijing, February 19 (XINHUA) -- Chinese Premier Zhao Ziyang today invited Japanese Prime Minister Yasuhiro Nakasone to visit China at a time convenient for him.

He extended the invitation on behalf of the Chinese Government when he met in the Great Hall of the People here this afternoon with Susumu Nikaido, secretary general of Japan's ruling Liberal Democratic Party and special envoy of Prime Minister Yasuhiro Nakasone.

During the meeting, Nikaido handed a personal letter from the Japanese Prime Minister Nakasone to Premier Zhao.

Zhao said: "Prime Minister Nakasone has done much useful work for the development of the Sino-Japanese friendly relations. After he assumed office as Japanese prime minister, he has attached importance to the development of the Sino-Japanese relations.

"The prime minister expressed his willingness many times to continuously promote Sino-Japanese relations along the track of long-term stability."

He thanked Prime Minister Nakasone for dispatching Nikaido to visit China as a special envoy and with a personal letter to him. Premier Zhao said the Chinese Government has consistently attached importance to the development of Sino-Japanese friendly relations. "In the past decade, bilateral relations have been very good. The course is set for the two peoples to live in friendship from generation to generation.

"I believe that Sino-Japanese relations will become even better in the next decade. The potential is great for the promotion of economic and technical cooperation between our two countries, and there are many things to do in these fields," he said.

Nikaido briefed the Chinese premier on the domestic and foreign policies of the Nakasone Cabinet, and indicated that Prime Minister Nakasone has a strong desire and determination to continue to advance Japan-China friendship.

Zhao Ziyang said that Deng Xiaoping was very glad to learn of Nikaido's visit as the special envoy of Prime Minister Nakasone. "He asked me to extend his welcome to you. He always appreciates highly your important contributions in promoting China-Japan friendship and cooperation over the years," Zhao Ziyang said.

Present at the meeting were Chinese Foreign Minister Wu Xueqian, adviser to the Foreign Ministry Fu Hao and Japanese Ambassador to China Yasue Katori.



## Further on Meeting With Zhao

OW200538 Tokyo KYODO in English 0508 GMT 20 Feb 83

[Text] Beijing, Feb 20, KYODO -- Chinese Premier Zhao Ziyang Saturday evening urged Japan to take into consideration Asian neighbors' reaction and not to create any misgiving in reference to Japan's defense buildup efforts. Zhao made the remark in his talks here with Susumu Nikaido, secretary general of Japan's ruling Liberal-Democratic Party, who is visiting as Prime Minister Yasuhiro Nakasone's special envoy. The Chinese stance on Japan's defense policy also was expressed by Foreign Minister Wu Xueqian to Nikaido earlier in the day. Premier Zhao asked Nikaido to convey China's official invitation for Nakasone to visit China at convenient time.

On the Baoshan steel mill in Shanghai, Zhao said the first-stage construction will be completed and start production in 1985, China has decided to resume the second-stage construction for the plant, Zhao said. Zhao asked Nikaido to inform Yoshihiro Inayama, president of the influential Federation of Economic Organizations (Keidanren) of the Chinese decision. China had stopped the second-stage project under its economic reassessment policy at the end of 1980.

Zhao did not refer to a specific time for the resumption but the second-stage work is expected to be resumed in 1985 or later.

Touching on the Korean issue, Zhao told Nikaido that Japan's latest \$4 billion economic aid to South Korea would not be beneficial to the peace on the Korean Peninsula. A similar criticism on the matter was expressed by Foreign Minister Wu.

On the Sino-Soviet relations, Zhao said that even if tension between Beijing and Moscow eases, it would be only a normalization of the relations as states and China would uphold its position against hegemonism. Nikaido also met State Councillor Gu Mu Saturday night.

Gu, a senior expert on economy, expressed strong hope for Japan's economic cooperation with China, according to Nikaido's aides. In particular, Gu urged Japan to extend positive assistance under the second round of Japan's yen loan offer to China beginning in fiscal 1984.

Gu complained that Sino-Japanese joint ventures now number only four and that no Japanese enterprises have opened business in China's specially-designated economic districts. Nikaido's itinerary on Saturday also included a meeting with Liao Chengzhi, vice chairman of the Parliament Standing Committee. Liao hoped, among others, that Japan will not become a big military power.

## Meets With Hu Yaobang

OW201638 Beijing XINHUA Domestic Service in Chinese 1437 GMT 20 Feb 83

[Text] Wuhan, February 20 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party, today told Susumu Nikaido, special envoy of Japanese Prime Minister Yasuhiro Nakasone that China is satisfied over the development of the Sino-Japanese friendship and cooperation in the past decade.

As to the question of bilateral relations, he said: "We hold that we should look forward. Though our two countries have different social systems, enduring and broadening cooperation between them will not be hampered so long as we adopt a correct attitude."

Susumu Nikaido, secretary general of the Japanese ruling Liberal Democratic Party, arrived in Wuhan from Beijing by special plane this morning. At the meeting hall of the Donghu Hotel, Hu Yaobang took both hands of the 74-year-old Japanese envoy into his own, saying: "You are an old friend of China. You have visited China five times, and every time you made a new contribution to the enhancement of Sino-Japanese friendship. You are very welcome."

In a sincere and friendly atmosphere, Hu Yaobang and Nikaido had a conversation for more than 2 hours.

The Japanese envoy detailed the Chinese leader on the Nakasone Cabinet's foreign policy. He told Hu Yaobang that Prime Minister Nakasone has strong desire to develop and strengthen Japan-China friendship and cooperation. He added that upon his return he would "convey to the prime minister Chinese leaders' clear-cut principle and sincere desire to maintain friendship between the two countries from generation to generation."

Hu Yaobang reaffirmed China's policy of developing its relations of friendship and cooperation with Japan. He said: "Ours is a socialist system, but we teach our younger generations never to impose our system on others. Some people may say: China is not strong enough for the time being to expand outwardly, but will it go in for expansion when it becomes strong some day?"

He said: "We have made a thorough study of the historical lessons in the world. No country that went in for expansion did not end up in ruin. We and our future generations will never go in for expansion. China will never seek hegemonism. Such is our basic state policy."

"Some people may still worry about ups and downs in economic cooperation between China and Japan. In my view, it is entirely possible for our economic cooperation to grow year after year."

The two men also exchanged views on international issues of common concern. At the meeting, Nikaido mentioned Prime Minister Nakasone's renewal of the invitation extended by former Prime Minister Zenko Suzuki to General Secretary Hu Yaobang. Hu Yaobang expressed thanks for that.

Susumu Nikaido's entourage, Kazuo Shinoya, Wataru Hiraizumi, Keiwa Okuda and Ichiro Nakanishi, and Japanese Ambassador to China Yasue Katori were present at the meeting.

Later, Hu gave a luncheon for Nikaido and other Japanese guests.

Foreign Minister Wu Xueqian, advisor to the Foreign Ministry Fu Hao, and Assistant to the Foreign Minister Liu Shuqing attended the meeting and luncheon.

#### 'Frank, Full Exchange of Views'

OW201651 Beijing XINHUA in English 1626 GMT 20 Feb 83

[Text] Beijing, February 20 (XINHUA) -- Japanese Prime Minister's special envoy Susumu Nikaido gave a reciprocal banquet in the Great Hall of the People here this evening. Chinese Foreign Minister Wu Xueqian was among the guests.

Nikaido said that during his short stay in China, he had a frank and full exchange of views with Chinese leaders on the international situation and issues of common interest, and that his visit was significant.

He said: "Through exchange of views, I deeply know Chinese leaders' strong aspiration for further development of friendly Sino-Japanese relations."

He said Sino-Japanese relations will develop in an earnest way in accordance with the principles of peace and friendship, equality and mutual benefit, and long-term stability, he said.

In his reply, Foreign Minister Wu said Nikaido's China visit not only increased mutual understanding, deepened the existing relations of mutual trust between the two countries but would further bilateral relations. He said: "We are very glad that you, the special envoy, has conveyed to us Prime Minister Nakasone's desire to attach great importance to enhancing Japan's friendship with China.

"We are looking forward to the new contributions made by Prime Minister Nakasone and Nikaido to the development of bilateral relations and strengthening of economic cooperation."

Wu said that China is willing to work together with the Japanese Government to attain still greater development of friendship and cooperation between the two countries. Also present at the banquet were members of the special envoy's party and Japanese Ambassador to China Yasue Katori.

#### 21 Feb Departure

OW210708 Beijing XINHUA in English 0700 GMT 21 Feb 83

[Text] Beijing, February 21 (XINHUA) -- Susumu Nikaido, special envoy of Prime Minister Yasuhiro Nakasone and secretary general of Japan's ruling Liberal Democratic Party, left here for home by special plane this morning at the end of an official friendship visit to China. Seeing him off at the airport were Fu Hao, adviser to the Ministry of Foreign Affairs, Liu Shuqing, assistant foreign minister, and Yasue Katori, Japanese ambassador to China.

#### HU YAOBANG ANSWERS JAPANESE REPORTERS IN WUHAN

OW201406 Beijing Domestic Service in Mandarin 1200 GMT 20 Feb 83

[Text] Hu Yaobang, general secretary of the CPC Central Committee, before meeting with Susumu Nikaido, special envoy of Japan's prime minister, made a statement in Wuhan this morning to the accompanying Japanese reporters and answered their questions.

Hu Yaobang said: The consolidation and development of friendly Sino-Japanese relations not only will greatly benefit the two peoples and future generations, but will strongly safeguard peace and stability in Asia and make important contributions to world peace and stability. He pointed out: China and Japan are two countries of considerable weight in the world. Our two nations can be rated as among the great nations of the world.

Hu Yaobang said: The visit of special envoy Susumu Nikaido is an important event which deserves to be recorded in the history of Sino-Japanese relations.

He asked the Japanese reporters to tell the Japanese people that he was extending a warm welcome to special envoy Susumu Nikaido on his visit on behalf of Deng Xiaoping, Ye Jianying and himself.

On the question of Sino-Soviet relations, Hu Yaobang said: The normalization of Sino-Soviet relations is in the interests of both the Chinese and Soviet people. Therefore, it is our sincere wish to restore normal relations [hui fu zheng chang guan xi 1963 1788 2973 1603 7070 4762] with the Soviet Union. Some say that there are very deep accumulated rancors [ji yuan hen shen 4480 1841 1771 3234] between China and the Soviet Union which are difficult to be removed overnight. I do not agree with this view. Statesmen do not fuss about accumulated rancors.



We hold that the main problem, and the only problem, in restoring normal relations between China and the Soviet Union is one of removing obstacles [pai chu zhang ai 2226 7110 7140 4293].

Hu Yaobang said: On the question of the Korean Peninsula, it is most important to withdraw all foreign forces from the Korean Peninsula and let the Korean people settle their own problems themselves. We hold that this is the best way to solve the problem.

On his view on Japan's defense, Hu Yaobang said: To safeguard its own national security, China is concerned about its own defense. At the same time, we are also concerned about the strengthening of defenses by all countries in the world to safeguard their sovereignty. We have no comment on Japan's decisions with regard to its defense principles and policies. We hope that the question of self-defense will not cause uneasiness among neighboring countries, and we hope that Japan will strictly keep itself within the bounds of self-defense.

Answering Japanese reporters' question on whether General Secretary Hu Yaobang plans to visit Japan during this year, Hu Yaobang said: Former Prime Minister Suzuki invited me to visit Japan. Now Prime Minister Nakasone has again entrusted special envoy Susumu Nikaido to bring another friendly invitation to me. I am very grateful for this. It is one of my lifelong wishes to visit Japan in order to bring to the Japanese people the Chinese people's lofty friendship, to express our thanks to the friendly people of all walks of life in Japan and to learn from the Japanese people. I certainly will make this wish come true. Now it is just a question of time. In my view, whether the visit comes sooner or later will in no way hamper the great friendship between the Chinese and Japanese people.

On the relationship between China's reforms and economic readjustment, Hu Yaobang said: China has made rather major readjustments in the economic field in the past few years. Of course, partial economic readjustments will go on in the 1980's, in the 1990's, and even in the 21st century; however, the reforms will have different implications. There are many defects in China's economy, such as low efficiency and serious bureaucracy. We will eliminate the defects in economic work and in management and operations methods through all-round and systematic reforms in the next 3 years so as to raise efficiency and growth rate and improve labor productivity. Through the reforms, we will achieve higher efficiency and higher growth rate, produce more competent personnel, accumulate more funds and develop our spiritual civilization.

#### Further Report

OW210746 Beijing Domestic Service in Mandarin 1200 GMT 20 Feb 83

[Report by station reporter (Liu Zhanying) from Wuhan on 20 February: "General Secretary Hu Yaobang Meets With special Envoy of Japanese Prime Minister Susumu Nikaido" -- recorded]

[Text] Listeners, Hu Yaobang, general secretary of the CPC Central Committee, met with Susumu Nikaido, special envoy of Japanese Prime Minister and Secretary General of the Liberal Democratic Party Yasuhiro Nakasone and his entourage this morning in Wuhan, capital of Hubei Province. Susumu Nikaido and his party arrived in Wuhan from Beijing by special plane this morning. They are accompanied by Foreign Minister Wu Xueqian.

Before the meeting, General Secretary Hu Yaobang answered Japanese reporters' questions. More than 20 Japanese reporters surrounded General Secretary Hu Yaobang.

[Begin Hu Yaobang recording] Welcome to the reporters who have accompanied special envoy Susumu Nikaido on his visit to our country. The visit of special envoy Susumu Nikaido is an event which merits being noted in the history of the development of relations between our two countries. Our Premier Zhao, Vice Chairman Liao Chengzhi, State Councillor Gu Mu and Foreign Minister Wu have all held friendly talks with the special envoy and extended a warm welcome to him. Today, I ask you, the reporters, to (?tell your people) that today I once again extend our warm welcome to special envoy Susumu Nikaido in his current visit, on behalf of our Chairman Deng, Chairman Ye and myself.

China and Japan are two countries of considerable weight in the world. Our two nations also can both be rated among the great nations of the world. The consolidation and development of the friendly relations and cooperation between our two countries, plus our two countries' pursuit of a correct foreign policy, will, in my view, not only greatly benefit the peoples of our two countries and future generations, but will strongly safeguard peace and stability in Asia and make important contributions to world peace and stability. [laughter and voices in both Chinese and Japanese] [end recording]

General Secretary Hu Yaobang then shook hands with the Japanese friends one by one in the reception room. We then saw entering the reception room special envoy Susumu Nikaido together with Kazuo Shinoya, Wataru Hiraizumi, Keiwa Okuda and Ichiro Nakanishi, members of the Japanese House of Representatives, and Yasue Katori, Japanese ambassador to China.

Personnel who attended the meeting later told us that the meeting was conducted in a very friendly atmosphere. During the meeting, special envoy Susumu Nikaido conveyed Prime Minister Nakasone's invitation to General Secretary Hu Yaobang to visit Japan, and Hu Yaobang expressed thanks for the invitation. During the meeting, Hu Yaobang also discussed how the friendly Sino-Japanese relations can be further developed. He stressed that although the social systems of China and Japan are different, longstanding cooperation on a broader basis between the two countries should not be obstructed, provided that correct attitudes are taken by both countries.

After the meeting, Hu Yaobang hosted a luncheon in honor of special envoy Susumu Nikaido and other Japanese friends. Foreign Minister Wu Xueqian was present at the meeting and the luncheon. Li Zhi, mayor of Wuhan, and leading members of departments concerned of Hubei and Wuhan were also present at the luncheon.

#### JAPAN'S ADMISSION OF AGGRESSION 'POSITIVE'

HK210744 Beijing RENMIN RIBAO in Chinese 21 Feb 83 p 6

["Short" commentary: "A Correct Step"]

[Text] When replying to a question in the Diet Budget Committee on 18 February on whether he acknowledged that Japan's war against China had been a war of aggression, Japanese Premier Yasuhiro Nakasone said: I hold that "it was such." He also pointed out that the international judgment that this was an aggressive action should be accepted and a lesson learned from it. This is the first time a postwar Japanese prime minister has openly admitted this. It is, therefore, of positive significance for the future development of friendly relations between Japan and China and other countries in the Asia-Pacific region.

The aggression launched by Japanese militarism against China and other Asia-Pacific countries brought great calamity on the peoples of this vast region and also caused the Japanese people tremendous suffering. Whether or not the Japanese Government acknowledges that what Japan waged was a war of aggression is not just an issue of whether or not to respect the objective facts of history but also of whether or not Japan can learn the lesson from this war of aggression, which finally ended in defeat, and curb a resurgence of militarist forces. This is precisely a matter of the greatest concern to the Asia-Pacific region and to peace-loving peoples throughout the world.

It is regrettable that, although some postwar Japanese governments have acknowledged that Japan had wronged the peoples of China and other Asia-Pacific countries, for various reasons no Japanese government had ever shown an explicit attitude on the question of principle of whether or not Japan had waged a war of aggression. This, on the one hand, afforded an opportunity for the remnant militarist forces in Japan to get ready to make trouble and, on the other hand, caused international misgivings over whether Japan, with its ever-developing economy, would embark again on the old road of militarist aggression. In the current complex international situation, if Japan adheres to this vague attitude, this would certainly not benefit itself, and would also have a negative effect on relations between Japan and Asia-Pacific region countries.

Nakasone's explicit admission that Japan had waged a war of aggression against China and his statement that Japan would learn a lesson from this represent a correct step for further developing Sino-Japanese relations of friendship and cooperation. Of course, certain forces in Japan may rise to oppose this. However, Sino-Japanese friendship is the trend of the times and the desire of the people, and the disruption and sabotage cause by certain people cannot reverse the tide of history.

CHEN MUHUA LEAVES BEIJING FOR TOKYO 22 FEB

OW220227 Beijing XINHUA in English 0215 GMT 22 Feb 83

[Text] Beijing, February 22 (XINHUA) -- Chen Muhua, state councillor and minister of foreign economic relations and trade, left here this morning for a visit to Japan at the invitation of the Japanese Government and the Japan-China Association on Economy and Trade. Her party includes Ismail Amat, chairman of the People's Government of the Xinjiang Uygur Autonomous Region. Seeing them off at the airport were Gu Mu, state councillor, Zheng Tuobin, vice-member of the Ministry of Foreign Economic Relations and Trade, Yasue Katori, Japanese ambassador to China, and Yoki Kawata, head of the Beijing office of the Japan-China Association of Economy and Trade.

KAMPUCHEAN ARMY ATTACKS ON SRV FORCES REPORTED

OW202008 Beijing XINHUA in English 1900 GMT 20 Feb 83

[Text] Beijing, February 20 (XINHUA) -- The Kampuchean National Army and guerrillas cut off the Vietnamese troops' railway transportation from Phnom Penh to the Western warfront in their attacks from January 16 to February 12, the Democratic Kampuchean radio reported. The report said the Kampuchean National Army and guerrillas destroyed 1,300 meters of the railway at Kok Poun village in Mong County of Battambang Province in the week beginning January 16. The railway was cut again near Pout Koang in Mong County from January 30 to February 1.

It said the national army and guerrillas also destroyed 1,200 meters of the railway at the Thep Tei Mountains and near Pout Koang village from February 8 to 12.

The report said the Vietnamese troops were ambushed by the Kampuchean National Army and guerrillas again and again along highway No. 5. 24 Vietnamese troops were killed or wounded and 5 vehicles destroyed in Sna Ansa and other places of Pursat Province on January 23 and 24.

The national army and guerrillas destroyed two Vietnamese military vehicles on highway No. 4 on January 26 and 28, killing 17 Vietnamese troops and wounding another.

BEIJING CITES VODK ON LAO GUERRILLA ACTIVITIES

BK200948 Beijing in Lao to Laos 1230 GMT 18 Feb 83

[Text] Yesterday, the Voice of Democratic Kampuchea, reporting the latest news from Laos, said that since this January Lao guerrillas have launched several attacks against Vietnamese occupation troops stationed in the Sithandon region, killing over 50 Vietnamese soldiers.

SRV'S TERRITORIAL WATERS CLAIM CRITICIZED

HK181614 Beijing XINHUA Domestic Service in Chinese 1523 GMT 18 Feb 83

[XINHUA commentator's article: "Attack and Threat Are in Vain"]

[Text] Beijing, 18 Feb (XINHUA) -- China and foreign firms are cooperating in exploiting petroleum and natural gas along the continental shelf within Chinese territorial waters. This is completely a matter within the province of Chinese sovereignty and no other country can interfere. The Vietnamese authorities recently issued a statement. Such Vietnamese statements cannot hinder China from exploiting its resources in its own territorial waters, which is a lawful action.

The Vietnamese authorities' recent statement falsely alleged that the cooperation of China and foreign firms in surveying and exploiting petroleum at the Beibu Yinggehai waters is "an encroachment on Vietnamese sovereignty." It also required foreign firms to bear responsibility for "all consequences caused." This is an unreasonable attack and threat launched by the Vietnamese authorities from the stand of their expansionism.



"The statement of the Datum Line of the Vietnamese Waters" which was issued by the Vietnamese authorities in November last year, not only announced that the Xisha Islands and the Nansha Islands, which have belonged to China, are their territories, but also said that the larger part of the waters of the Beibuwan Bay belong to them. The spokesman of the Chinese Ministry of Foreign Affairs immediately issued a solemn statement: "The so-called border line of the Beibuwan Bay alleged by the Vietnamese Government is illegal and invalid." Hanoi attempted to impose its unlawful and unreasonable claim for territorial waters on China and this is but a vain hope. If the Vietnamese authorities want to use this unlawful claim to hinder China from the lawful actions of exploiting petroleum in its territorial waters, they must hold themselves responsible for the consequences caused by their hindrance.

The Vietnamese authorities' ambitions are too great and their arms are too long. They have not only occupied Kampuchea with armed forces and controlled Laos, but have also stretched their arms to Chinese territorial waters and territories. They have even coveted countries in Southeast Asia. The Vietnamese authorities must understand: Expansionists will eat their own bitter fruits.

SIHANOUK VISITS TIANJIN; CONCLUDES TOUR 21 FEB

Banquet in Tianjin

SK190404 Tianjin City Service in Mandarin 0030 GMT 19 Feb 83

[Text] Yesterday evening, Chen Weida, first secretary of the Tianjin municipal party committee, and Comrade Xu Wanhua hosted a banquet at the guest house in honor of Prince and Madame Sihanouk. Invited to the banquet were Yan Dakai, chairman of the municipal People's Congress Standing Committee; Wang Enhui, vice chairman of the municipal People's Congress Standing Committee; Bai Hua, deputy mayor; Wu Zhiyuan, deputy commander of the Tianjin Garrison District; Han Nianlong, adviser to the Ministry of Foreign Affairs; and Comrade Wang Zhen. Chen Weida and Prince Sihanouk delivered ebullient speeches at the banquet.

Chen Weida spoke highly of the prince's efforts in helping bring about the three-sided coalition in Kampuchea and in uniting all the people and domestic anti-Vietnamese armed forces to win a success in the anti-Vietnamese war. He expressed warm welcome to Prince and Madame Sihanouk.

Prince Sihanouk profoundly expounded the new situation in domestic struggles and expressed his strong confidence in the success of the anti-Vietnamese struggle. He was pleased with Tianjin's construction achievements scored over the past few years.

The banquet was permeated with a warm, friendly and happy atmosphere. Also invited to the banquet were Lu Xuezheng, secretary general of the municipal government; Wang Ping, director of the municipal Foreign Affairs Office; and Professor (Zhu Xieying).

Departure From Beijing

OW211116 Beijing XINHUA in English 1110 GMT 21 Feb 83

[Text] Beijing, February 21 (XINHUA) -- Samdech Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk left here by train this afternoon on visit to the Democratic People's Republic of Korea.

Premier Zhao Ziyang bade farewell to Samdech and Madame Sihanouk at their residence. Ngapoi Ngawang Jigme, vice-chairman of the Standing Committee of the National People's Congress, was present and accompanied them to the railway station. Also seeing the couple off were Han Nianlong, adviser to the Foreign Ministry, and his wife Wang Zhen, and Kampuchean Ambassador to China Pech Cheang.

INDIA-PRC TRADE COOPERATION SEMINAR HELD

OW202000 Beijing XINHUA in English 1500 GMT 20 Feb 83

[Text] New Delhi, February 20 (XINHUA) -- The total value of two-way trade between India and China in 1982 reached 139.18 million U.S. dollars while in 1977 it was only 2.45 million dollars.

This was disclosed at the first national seminar on India-China trade and economic cooperation held here on February 19 and 20. The seminar was organized by the "India-China Chamber of Commerce and Industry." A delegation from the China Council for the Promotion of International Trade headed by the council's Vice-President Zheng Hongye was invited to the seminar.

More than 200 Indian businessmen and economists attended the seminar. They discussed the potential areas of cooperation and problems in the trade and economic contacts between India and China. Various suggestions regarding steps needed for expansion on trade and economic cooperation were proposed.

Zheng Hongye made a speech at the seminar. He briefed Indian friends on the present economic situation in China and the development of China's foreign economic cooperation. He said: "Through our joint effort prospects for our cooperation are bright."

Chinese Ambassador Shen Jian also spoke at the inauguration of the seminar yesterday.

INDIA BEGINS REPROCESSING SPENT NUCLEAR FUEL

OW210838 Beijing XINHUA in English 0824 GMT 21 Feb 83

[Text] New Delhi, February 21 (XINHUA) -- India has begun its commercial-scale reprocessing of spent fuel from a nuclear power station, reported THE INDIAN EXPRESS today.

Quoting Department of Atomic Energy sources in Bombay, the paper said that for the last two months, spent fuel from the Rajasthan atomic power station has been treated at the Tarapur reprocessing plant. Previously, nuclear fuel reprocessing was done at the Bhabha atomic research center's laboratories at Trombay.

Due to the use of imported heavy water, the spent fuel from the Rajasthan atomic power station is reprocessed at Tarapur with International Atomic Energy Agency safeguards and inspection. The reprocessing plant with a capacity of 100 tons per year was built with Indian technology.

A major product from reprocessing is plutonium, which can be used to operate fast breeder reactors, the second stage of India's nuclear fuel cycle strategy.

INDIA'S GANDHI FLIES TO TROUBLED ASSAM STATE

OW211216 Beijing XINHUA in English 1108 GMT 21 Feb 83

[Text] New Delhi, February 21 (XINHUA) -- Indian Prime Minister Indira Gandhi is flying to the bloodsoaked Assam State today to make an on-the-spot assessment as a week of traumatic local elections is drawing to a close there, reported PRESS TRUST OF INDIA (PTI) yesterday.

At least 800 to 1,000 people died when tribesmen rampaged through 15 villages in central Nowgong District of Assam last Friday, making the incident the bloodiest violence triggered off by election in India's history. According to PTI, about 10,000 people fled Nowgong to find shelter in relief camps. The Indian Government has sent thousands of troops to northeast Assam State as an emergency measure to restore order there.

BANGLADESH, NEPAL LEADERS MEET IN DHAKA 18 FEB

OW182021 Beijing XINHUA in English 1921 GMT 18 Feb 83

[Text] Dhaka, February 18 (XINHUA) -- Bangladesh chief martial law administrator Hussain Mohammad Ershad today called for an immediate and unconditional withdrawal of foreign troops from Kampuchea and Afghanistan.

Speaking at a banquet in honour of visiting Nepalese Prime Minister Surya Bahadur Thapa in Dhaka this evening, Ershad said that conditions should be created to enable the people of Kampuchea and Afghanistan to determine their own destiny free from any external interference and intervention. Referring to the situation in West Asia, he said an unduring peace in the area could be established only on the basis of total Israeli withdrawal from all occupied Arab territories and realization of the legitimate national rights of the Palestinian people. He said Bangladesh welcomed the Arab peace plan as a sound basis for establishing durable peace in the area.

In his speech, Nepalese Prime Minister Thapa said power rivalry coupled with fierce arms buildup between big powers, armed intervention into the territories of independent but weak nations by stronger ones and utter disregard for the sovereign equality of nations had gendered the international situation fraught with grave consequences. The leaders of the two countries stressed the need to strengthen the Non-Aligned Movement and preserve its basic character and ideals. They pledged to make maximum efforts for the consolidation of unity and solidarity of the movement and to make the forthcoming seventh summit a great success. They also called for further strengthening of bilateral relations in all fields and for integrated cooperation among nations in South Asia. The Nepalese prime minister arrived in Dhaka this morning for a three-day official visit to Bangladesh at the invitation of Ershad.

Thapa Supports DK

OW201948 Beijing XINHUA in English 1517 GMT 20 Feb 83

[Text] Dhaka, February 20 (XINHUA) -- Nepalese Prime Minister Surya Bahadur Thapa today reaffirmed his country's stand for the representation of the Coalition Government of Democratic Kampuchea at the forthcoming non-aligned summit. At a press conference here before the conclusion of his three-day visit to Bangladesh, Thapa said that about Kampuchea's representation at the non-aligned summit: "Our view is very clear that the government which is represented at the United Nations is the sole legal government of that country as well as other governments."

During his stay in Dhaka, Thapa held talks with Bangladesh chief martial law administrator Lieutenant General Hussain Mohammad Ershad. Thapa told reporters that the views of Nepal and Bangladesh were marked by close identity and similarity of many international issues, particularly with regard to the Kampuchean and Afghan problems. In the 7th non-aligned summit to be held in New Delhi next month, Nepal and Bangladesh would work together in close consultation with each other, he added.



RENMIN RIBAO VIEWS WEST GERMAN ELECTIONS

HK190822 Beijing RENMIN RIBAO in Chinese 19 Feb 83 p 7

["News Roundup" by Jiang Jianguo [3068 1696 0948]: "The Missile Argument on the Eve of the West German Elections"]

[Text] With the arrival of Europe's "year of the missiles," the struggle between the two superpowers for nuclear supremacy in Western Europe has entered a new round. The FRG has become the focus of attention in this new trial of strength.

There is great commotion in the West German political arena. The Christian Democratic Union's [CDU] new Chancellor Kohl has just visited Washington, while the Social Democratic Party [SPD] election candidate Vogel has made trips to the United States and the Soviet Union. Soviet Foreign Minister Gromyko went rushing to Bonn, and U.S. Vice President Bush was hard on his heels. For a time there was a lot of noise and excitement over the guided missile issue.

This shuttle diplomacy over the missile issue is of course linked to the West German elections set for 6 March. According to public opinion, the result of this election will have a direct bearing on whether new U.S. nuclear weapons can be deployed at the end of this year in line with NATO's dual decision of December 1979. Hence the United States and the Soviet Union both want to seize the chance before the election to win over public opinion and the electorate and thus influence the result of the election.

West Germany is in the very first line of the confrontation between the two military power blocs in Europe; it is an important member of NATO and also an important U.S. ally. According to the December 1979 decision of the NATO Council, all the 108 Pershing II missiles of the new guided missiles to be deployed in Western Europe at the end of this year are to be deployed in West Germany. No country can replace West Germany in strategic importance for the United States. It is precisely because of this that West Germany is in an extremely sensitive position in East-West relations. West Germany is the key to the U.S. desire to strengthen NATO's medium-range nuclear forces and also the Soviet Union's attempts to stop NATO's deployment of medium-range nuclear missiles. Hence the Soviet Union's recent large-scale "peace offensive" has been focused on West Germany, while the United States too is doing everything possible to hold onto West Germany in order to secure its position.

An antinuclear movement in West Germany is also surging up while the United States and the Soviet Union are contending in increasing their influence on West Germany. There have also been certain changes in attitudes in the country over the guided missile issue. Chancellor Kohl recently stressed on many occasions that West Germany is resolved to deploy new guided missiles in accordance with NATO principles, and also reiterated that the "zero option" is "the most satisfactory" way of solving the problem. At the same time, in his talks with Gromyko, he did not summarily reject the Soviet disarmament proposals, and maintained a lukewarm attitude toward the Soviet Union. Western public opinion holds that Kohl is fully carrying on the foreign policy line of his predecessor Schmidt. The attitude of the SPD has also changed from the time when it was in power. Following changes in its leadership, the SPD is no longer stressing the "zero option" stand it proposed in the past. Barr, the party's disarmament expert, says that the Soviet Union has changed its stand at the Geneva talks, and "the United States must make some gesture and lower its highest demands." Former Chancellor Schmidt openly stated at a SPD election rally that instead of insisting on the U.S. "zero option," the West should reach a compromise with the Soviet Union. The speeches of a number of SPD leaders show that in fact they no longer agree to the deployment of new U.S. medium-range nuclear weapons in West Germany.

Apart from this, the SDP agrees to taking British and French nuclear forces into account when totalling East and West military forces, and has also written this point into its election platform. Not long ago the SDP proposed a compromise scheme for reducing the number of medium-range nuclear weapons, advocating that the West abandon the Pershing II missile and only retain some cruise missiles, and also that the Soviet Union halve the number of its SS-20's, to help reach a compromise with the Soviet Union. This SDP approach has been welcomed to a considerable extent by the Soviet Government.

It appears that the reasons for the SDP's change in original intention are the following:

1) In recent years the cries of West German figures against the deployment of U.S. medium-range nuclear weapons have been rather loud. With a general election imminent, the SDP has no alternative but to take into account the feelings of the electorate in order to win votes and get back in power; 2) in the past year the Western alliance has experienced the most serious crisis since the war, with strained relations between the United States and Europe and all kinds of conflicts simultaneously occurring. On economic matters, Reagan has damaged European interests on several occasions, which has aroused universal dissatisfaction in West Europe. On anti-Soviet strategy, the policies of the Reagan administration have not been consistent; in particular, it has forcibly ordered Western Europe to conform to U.S. interests, which has deepened Western Europe mistrust of the United States. Dissatisfaction over U.S. policies has also grown in West Germany, and the SDP believes that it would be more advantageous to keep a suitable distance from the United States at present.

It is evident that the issue of which of the two big factions -- the CDU/Christian Social Union and the SDP -- comes to power will play a very big part in NATO's missile deployment. In order to influence the elections, the Soviet Union has frequently launched "peace offensives" and has also threatened that if the dual decision is implemented, it will break off the talks with the United States on medium-range nuclear missiles, and that insisting on the "zero option" means "being prepared" to put West Germany, "which is not very big but is densely populated," in the position of suffering an annihilating retaliatory blow. The United States has also adopted many postures in order to counteract the Soviet peace offensives and win over public opinion. When Reagan specuallly dispatched Vice President Bush to visit West Berlin, Bush read a letter to the peoples of Europe reiterating willingness to hold a summit meeting with Soviet leader Andropov. Bush comforted the urgent feelings of certain people in Western Europe who demand that the United States and the Soviet Union reach a compromise, by saying that the United States was "prepared to consider any reasonable Soviet proposal" and that the "zero option" "is not a proposal on which there can be no bargaining." However, the United States has never shown its hand. This shows that the trial of strength between the United States and the Soviet Union being staged at this sensitive moment on the eve of the West German elections is to a very great extent a propaganda war for winning over Western European and especially West German public opinion. Western public opinion holds that the key moment in the struggle for nuclear supremacy in Europe between the United States and the Soviet Union for nuclear supremacy in Europe will come after the West German election. By then the attitude of the new West German Government will be the factor determining the fate of NATO's dual decision and the "zero option."

KING HUSAYN ENDS 1-DAY VISIT TO ROMANIA

OW190900 Beijing XINHUA in English 0702 GMT 19 Feb 83

[Text] Bucharest, February 18 (XINHUA) -- King Husayn of Jordan and Romanian President Nicolae Ceausescu today called for an international conference to try to solve the Middle East problem. The suggestion was made in a communique published by the press here at the end of King Husayn's one-day visit to Romania.

During the talks between the two leaders yesterday afternoon, they pointed out that a "global, just and durable" peace must be realized on the basis of Israel's withdrawal from Arab land occupied in 1967 and recognition of the right to self-determination of the Palestinian people, "including the setting up of an independent Palestinian state," and the right to freedom and independent living of all the countries in this region must be guaranteed. "Particularly useful would be the convening of an international conference with the participation of all interested states, including the PLO, as the sole and legitimate representative of the Palestinian people," the communique said. They demanded that Israel withdraw its troops from Lebanon as soon as possible and respect the sovereignty and territorial integrity of that country. Speaking at a banquet in honor of King Husayn, Ceausescu said that in the Middle East, there is a place for an independent Palestinian state as well as a place for the Israeli state. The recognition of this reality and the peaceful coexistence of all countries in this region must be taken as a starting point. During their talks, the two leaders agreed that continued efforts must begin to further develop relations, especially trade and economic cooperation.

ROMANIA'S CEAUSESCU DISCUSSES DISARMAMENT

OW120740 Beijing XINHUA in English 0723 GMT 12 Feb 83

[Text] Bucharest, February 11 (XINHUA) -- Romanian President Nicolae Ceausescu has reaffirmed his support for the halting of U.S. deployment of new missiles in Europe and at the same time dismantling and destruction of Soviet missiles. Ceausescu made the statement in an interview with a Dutch TV correspondent on February 8. The interview was carried in today's Romanian newspaper SCINTEIA.

Asked to comment on Soviet leader Yuriy Andropov's proposal that the number of Soviet medium-range missiles could be cut down to the level of the total of British and French missiles, Ceausescu said: "It seems to be a reasonable proposal, but it is undoubtedly not a final solution to destroy medium-range missiles. In my opinion, a firm action must be taken to stop the U.S. deployment of new missiles, but in order to keep the balance of the two military blocs' arsenals, the Soviet missiles should be dismantled and destroyed at the same time."

Referring to the reduction of military expenditures and the proposal on making Europe a missile free zone, the Romanian president said that his country had taken measures two years ago to cut down military expenditures. It will not increase military expenditure this year and will keep it at the 1982 level up to 1985. He stressed: "The reduction of military expenditures should be realized especially in those big powers whose expenditures are huge. If it is done only in Romania and the Netherlands, there would be little impact. If such actions are joined in by the Soviet Union and the United States as well as the Warsaw bloc and NATO members, whose military expenditures account for 80 percent of the world's total, that would produce a decisive impact on disarmament, strengthening of mutual trust, peace and security." Direct negotiations should be held between NATO and Warsaw bloc countries to reach an agreement on the reduction of military expenditures and disarmament, he added.

PRC DELEGATION MEETS PLO LEADERS IN ALGIERS

OW190307 Beijing XINHUA in English 0244 GMT 19 Feb 83

[Text] Algiers, February 18 (XINHUA) -- Palestinian leaders have highly praised the Chinese Government and people for their resolute and persistent support to the Palestinian people's struggle.

Receiving the Chinese delegation head Xu Wenyi respectively here today were Faruq al-Qaddumi, head of the Political Department of the Palestine Liberation Organization, and Abu Jihad, Hayil 'Abd al-Hamid, vice-commander-in-chief of the Palestine revolutionary armed forces. They held that the Chinese delegation's presence at the current 16th session of the Palestine National Council has demonstrated the unity and friendship between the Chinese and Palestinian peoples.

Xu Wenyi greeted the convening of the 16th session of the Palestine National Council and wished it success. Tayib 'Abd ar-Rahim Mahmud, head of the PLO mission in Beijing, was present on the occasions.

ALGERIAN PRESIDENT RECEIVES OUTGOING PRC ENVOY

OW200944 Beijing XINHUA in English 0704 GMT 20 Feb 83

[Text] Algiers, February 19 (XINHUA) -- Algerian President Chadli Bendjedid has expressed satisfaction with the close cooperation between Algeria and China. Receiving outgoing Chinese Ambassador Xu Ming here today, the president said that "the relations between our two countries are excellent" and "especially, my visit to China and the Chinese premier's visit to Algeria have strengthened our friendship and promoted our cooperation."

President Chadli wished that the friendship and cooperation in all fields between Algeria and China would be further strengthened. Earlier, Xu Ming has also called on other Algerian leaders. He will leave the country tomorrow.

PRC WOMEN'S DELEGATION ENDS VISIT TO GUINEA

OW191138 Beijing XINHUA in English 1115 GMT 19 Feb 83

[Text] Conakry, February 18 (XINHUA) -- A Chinese women's delegation left here for Guinea-Bissau this afternoon after concluding a ten-day visit to Guinea. During its stay here, the delegation participated in the celebrations of the Guinean national women's day.

The delegation was received by President Ahmed Sekou Toure and his wife who paid high tribute to the friendship and cooperation between Guinea and China. Zhao Feng, leader of the delegation, praised President Toure and his wife for their efforts done for the emancipation of Guinean women. Guinean Prime Minister Lansana Beavogui and President of the National Assembly Damantang Camara also met the delegation.



HU YAOBANG SAYS YE JIANYING TO STEP DOWN

OW211255 Tokyo KYODO in English 1245 GMT 21 Feb 83

[Text] Beijing, Feb 21, KYODO -- China's de facto head of state Ye Jianying will resign soon as chairman of the Standing Committee of the National People's Congress (parliament), Japanese labor leader Motofumi Makieda said here Monday. Committee Vice Chairman Peng Zhen will succeed the 85-year-old field marshal as acting chairman, Makieda said. The reshuffle will come at a committee meeting opening February 25, he said.

Makieda, now in Beijing heading a Japanese labor delegation, told newsmen Communist Party chief Hu Yaobang revealed this in a meeting with him in Wuhan Sunday.

Makieda, chairman of Japan's No. 1 labor organization Sohyo, quoted Hu as saying a full-fledged committee chairman will be picked during the Sixth NPC Session scheduled for May to June.

Ye is one of the existing elders who remain in influence since the 1949 Chinese revolution. Ye's resignation is expected to help promote rejuvenation efforts pursued by party leader Hu and his mentor Deng Xiaoping. Ye is said to have been instrumental in the 1976 ouster of the "gang of four" led by Jiang Qing, the widow of Mao Zedong. He is also a strong supporter of former party leader and Premier Hua Guofeng. Ye took the chairmanship of the NPC Standing Committee in March 1978 to act as de facto Chinese head of state.

Peng Zhen, once disgraced during the Cultural Revolution, was reinstated in 1979. He later served as leader of the NPC Legislative Committee and Constitution Revision Committee.

PRC, USSR OFFICIALS HONOR DEAD CPC REVOLUTIONIST

OW200450 Beijing XINHUA Domestic Service in Chinese 1617 GMT 19 Feb 83

[Text] Beijing, 19 Feb (XINHUA) -- The funeral urn of Comrade Xiao San, one of China's earliest Communist Party members, was covered with the CPC flag. In front of the urn were wreaths sent by party and state leaders. Funeral music was played today in the CPPCC National Committee auditorium and some 1,200 people from various circles of Beijing paid their last tributes to Xiao San, a veteran proletarian revolutionary, an outstanding proletarian cultural fighter, an international activist and a renowned poet.

Comrade Wang Zhen presided over the memorial meeting.

In his memorial speech Comrade Hu Qiaomu recalled the life of Xiao San, introduced his deeds in working for the CPC during his early years and praised his important contributions to the Chinese proletarian literary and art movement and to the world people's struggles and cultural exchanges. Hu Qiaomu said: "Comrade Xiao San was a faithful son of the Chinese people and our party and a true friend of the progressive people of the world. He dedicated his whole life to the Chinese people's revolutionary cause and human progress and spared no effort in giving his all."

Hu Yaobang, Ye Jianying, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Nie Rongzhen, Wan Li, Xi Zhongxun, Ulanhu, Fang Yi, Yang Dezhi, Yu Qiuli, Ni Zhifu, Liao Chengzhi, Gu Mu, Hu Qili, Bo Yibo, Tan Zhenlin, Wang Heshou, Xu Deheng, Xiao Jingguang, Liu Lantao, Lu Dingyi and He Changgong sent wreaths.

Comrade Hoang Van Hoan also sent a wreath.

Attending the memorial meeting were Yang Shangkun, Song Renqiong, Yao Yilin, Deng Liqun, Li Weiha, Huang Hua, Kang Keqing and Burhan [name as received].

He Jingzhi, Zhou Weizhi, Zhang Guangnian, Ye Shengtao, Wu Zuoren and many foreign friends also attended the memorial meeting.

Also among the mourners were Xiao San's former colleagues, his juniors and his contemporary poets. Li Wei-han, who together with Xiao San joined the "Hsin Min Hsueh Hui" [Society of the New Masses] in 1918, said with deep feelings: During those years Xiao San was resolved to give his life for the prosperity of China. His wish has been realized now 65 years later. Comrades who collated his writings in recent years cried silently. They recalled: "He left us with 245 poems and over 1 million words of writings at his departure. During his remaining years when he slightly recovered from a serious illness, his first request was 'Give me a pen to write down my revolutionary career.' His whole life was a long epic poem which will illuminate the human world for thousands of generations."

Posted at the entrance to the auditorium were Hu Qiaomu's poem "Memories of Old Times" and Ding Ling's poem "Mourning Comrade Xiao San," as well as poems by Ai Qing, Zang Kejia and others. The office in charge of the memorial service received condolence messages from Xiao San's native home, his alma mater and from the United States, the United Kingdom, Sweden, Switzerland, West Germany and Chile.

Soviet Ambassador to China I.S. Shcherbakov attended the ceremony and the Soviet Embassy sent a wreath. A condolence message sent by the Secretariat of the Union of Soviet Writers on 9 February reads: "Emi Siao [pen name of Xiao San] spent many years of his life in the Soviet Union. He joined us in Moscow in writing poems. He wrote many outstanding poems in praise of his motherland and people and about his unrelenting struggles for liberty and social liberation. Emi Siao and his poems enjoyed a high reputation. His poems were widely read and were warmly cherished by readers in the Soviet Union. Please accept our deepest condolences."

Funeral music was played again. The mourners extended their deepest sympathy to Xiao San's wife Eva and his son Allan Starodub, a Soviet citizen who returned to China from Moscow. While walking out of the auditorium this reporter remembered a passage from one of the condolence messages: "You told me before, do not write poems about life but turn your life into poems. Among the ranks of vanguards, you will be everlasting as the people."

#### XINHUA Biography of Xiao San

OW191346 Beijing XINHUA in English 1230 GMT 19 Feb 83

[Text] Beijing, February 19 (XINHUA) -- Xiao San, who died here half a month ago, was one of the earliest members of the Communist Party of China. He belonged to the older generation of Chinese proletarian revolutionaries.

Born in 1896 in Xiangxiang County, Hunan Province, Xiao San was Mao Zedong's schoolmate and worked with the late chairman and Cai Hesen and others to found the "Hsin Min Hsueh Hui (Society of the New Masses)". He joined in the Patriotic May Fourth Student Movement in 1919 and in 1920 went to France, in part to work and in part to study. There he became a member of the "Young Communist League", organized by Zhao Shiyan and Zhou Enlai.

In 1922 Xiao San was accepted into the French Communist Party through Ho Chi Minh, and transferred to the Chinese Communist Party that same year. He assisted Chen Qiaonian and Deng Xiaoping in publishing the journal YOUTH. In January 1924, Xiao San, together with Ren Bishih and other comrades, attended Lenin's funeral and stood as a member of the guard of honor at the bier on behalf of the Moscow branch of the Chinese Communist Party. He returned to China that summer. In 1927, Xiao San took part in the preparatory and organizing work for the Shanghai workers' three armed uprisings. He attended the fifth and seventh national congresses of the Chinese Communist Party in 1927 and 1945.

After the birth of New China in 1949, Xiao San attended the First, Second and Fifth Chinese People's Political Consultative Conferences and the First and Second National People's Congresses, and was a Standing Committee member of the Fifth National Committee of the C.P.P.C.C.

Xiao San made significant contributions to the movement of Chinese proletarian literature and art, and in the struggles and cultural exchanges of the people of all countries.

He began literary activities in 1928 as a faculty member of the communist University of the Toilers in the East in Moscow. As a permanent representative of China's left-wing writer, he attended the international revolutionary writers' congress in Kharkov in 1930 and worked as editor-in-chief of the Chinese edition of its publication -- WORLD REVOLUTIONARY LITERATURE. In 1934, he attended the first congress of Soviet writers, met with Maxim Gorky and addressed the congress on behalf of China's left-wing Writers' League. With the approval of the Chinese Communist Party, he joined the Soviet Communist Party and twice held the post of party committee member of the Union of Soviet Writers.

During his stay in the Soviet Union Xiao San kept in close correspondence with the writer Lu Xun. Through literary works he told the world of the Chinese worker-peasant Red Army, the agrarian revolution as well as of China's revolutionary leaders. His biographies of Mao Zedong and Zhu De, poems, essays, novels and reportage were translated into Russian, Bulgarian, English, German, French, Spanish, Japanese and Czech, with widespread influence in the world.

Xiao San was a noted international cultural activist and a fighter for world peace. He worked as director of the Bureau for Cultural Relations With Foreign Countries under the Chinese Ministry of Culture, permanent council member of the Chinese People's Committee for World Peace, deputy secretary-general of the Sino-Soviet Friendship Association, and permanent council member of the World Peace Council as well as Chinese member of its secretariat.

#### NI ZHIFU ADDRESSES '7 FEBRUARY' ANNIVERSARY MEET

HK180501 Beijing GONGREN RIBAO in Chinese 7 Feb 83 pp 1, 2

["Speech by Comrade Ni Zhifu at Beijing Rally Commemorating the 60th Anniversary of the '7 February' General Strike" -- a brief XINHUA report on this speech was published on page K 1 of the 7 February China DAILY REPORT]

[Text] Comrades: Today we are holding a rally here to commemorate the 60th anniversary of the 7 February general strike.

The CPC Central Committee has attached great importance to the commemorative activities. Especially Comrades Ye Jianying, Deng Xiaoping, Li Xiannian and Chen Yun, members of the Standing Committee of the Political Bureau of the CPC Central Committee and veteran revolutionaries, have written inscriptions commemorating the 60th anniversary of the 7 February general strike, and leading comrades of the party and state have come here personally to attend the commemoration meeting and the cornerstone-laying ceremony for construction of the Changxindian 7 February Memorial Hall. All these things constitute great education and inspiration for the Chinese working class. We must seriously study and vigorously propagate the inscriptions by the four leading comrades of the central leadership and carry out the spirit of the inscriptions in our action.

Sixty years ago, in 1923, the Chinese working class, led by the CPC, held the famous 7 February general strike to fight for human rights, freedom and trade union rights.



This strike was a large-scale mass movement in which the Chinese working class and the Chinese people, under the leadership of the newly established CPC, engaged in direct struggle with the imperialism and feudalism as well as a great struggle in the early stage of the Chinese communist movement. It dealt a heavy blow to the reactionary rule of imperialism and feudal warlords, showed the high consciousness and great strength of the Chinese working class which had mounted on the political stage, and indicated the flesh-and-blood ties between the CPC and the laboring people, thus adding a glorious chapter to the history of the Chinese workers' movement. It also promoted working-class unity in the whole country and formation of an anti-imperialist and antifeudalist united front of people throughout the country. Moreover it made preparations for the subsequent first civil revolutionary war and opened up a new situation in the Chinese workers' movement in the 1920's. Although the 7 February general strike was cruelly suppressed by the reactionary ruling class, the communist spirit of the 7 February heroes who fought bravely and feared no sacrifices to fulfill the great historical mission of the working class will shine forever.

Times have changed now. The desire of democratic revolution raised by the then workers of the 7 February movement was triumphantly satisfied as early as 1949. The Chinese working class has turned itself from an oppressed and exploited class into a leading class of the state. It is now vigorously fighting to build socialism bearing Chinese characteristics, to realize the goal of quadrupling the total annual industrial and agricultural output value by the end of the century and to build China into a modernized socialist country with a high degree of civilization and democracy. Faced with the new historical mission the Chinese working class must inherit and carry forward the 7 February revolutionary spirit, strive to create a new situation for the contemporary Chinese workers' movement and wage a resolute struggle to implement the goal pursued by revolutionary martyrs of the 7 February general strike -- a communist society and the emancipation of all mankind. Herein lies the great practical importance of our commemoration of the "7 February" general strike today.

To Commemorate 7 February We Must Carry Forward the Revolutionary Spirit of Breaking the Old and Creating the New of the Chinese Working Class and Firmly Stand in the Vanguard of the Four Modernizations

In the past the Chinese working class stood in the vanguard of democratic revolution; today it must stand in the vanguard of socialist construction. The focus of the past struggle lay in breaking an old world, while the focus of the present struggle lies in building a new world. The nature and tasks of the both struggles are quite different, but both are permeated with the revolutionary spirit of breaking the old and creating the new. Great achievements have been made in our country's socialist construction since the founding of the PRC and social production has developed remarkably. But there is still a difference between both of these things and the increasing material and cultural demands of the people. This requires that we carry out reforms in certain aspects and links in field of production relations which do not correspond with the development of productive forces, and in some aspects and links in the field of superstructure which do not correspond with the development of productive forces, and in some aspects and links in the field of superstructure which do not correspond with the economic base. In recent years Comrade Deng Xiaoping time and again has instructed that it is necessary to conduct a series of reforms in order to carry out the four modernizations, and that it is impossible to achieve the four modernizations without conducting reforms. Reforms should run through the whole process of the four modernizations, which is an extremely important guiding thought of our party in leading the construction for four modernizations.

In his important report "Four Modernizations and the Problem of Reform" made recently, Comrade Hu Yaobang called on the working class to stand ... the vanguard of the reform, support it and participate in and lead it. This absolutely meets the strong desire of the working class and is also a new historical task raised by the CPC Central Committee for the working class. The vast number of our workers and staff have, through the practice of labor and life, fully realized that without changing the method of business management of "eating from the same big pot," it is impossible to give full play to the due vitality of the socialist economy. Without the elimination of the old practices, trammels and style which hampered the development of productive forces, the enthusiasm and sense of responsibility of enterprises and staff and workers will be restrained and the inspiring and grand goal put forward by the 12th CPC Congress cannot be achieved. Indeed, reforms constitute a prime issue of strategic significance concerning the success or failure of socialist cause in our country. Only by conducting reforms can we create a new situation.

The working class is the representative of the contemporary advanced productive forces and the means of production in our country. It must hold aloft the revolutionary banner of Marxism-Leninism-Mao Zedong thought and firmly stand in the vanguard of the reform. The reforms to be carried out triumphantly in our country will be overall reforms, i.e., all fronts, areas, departments and units must undertake the task of reform, break the old and create the new, study the new situation, solve new problems, sum up new experiences, and establish new rules and regulations. Standing in the forefront of the production and work, we, the broad masses of workers and staff, know best the defects which do not meet the needs of the four modernizations, and are able to raise many good suggestions and offer much good advice on the problem of where and how to conduct reforms. We working class people must carry forward the communist spirit, proceed from the high plane of paying attention to and safeguarding the national interests and the overall interests, bravely and enthusiastically plunge ourselves into reforms on all fronts, be promoters of reforms and carry out reform resolutely and properly in accordance with the steps formulated by the party's Central Committee.

To Commemorate 7 February, We Must Inherit the Chinese Working Class' Glorious Tradition of Being United in Struggle and Continuously Strengthen and Expand the Unity of the Working Class and the People of All Nationalities of the Country

The Chinese working class is a class with highest political consciousness and sense of organization and discipline. Protracted revolutionary struggle has made us realize that the historical mission of the working class cannot be achieved by the strength of a class alone. When recalling the 7 February general strike, the Secretariat of the Chinese Labor Association wrote in March 1923: "The 7 February general strike not only indicated the unity and unanimity of the railway workers, but also indicated the unity and unanimity of the whole working class." The association called on the workers throughout the country "to build the working class into a largest and most powerful organization and unite the peasants, the commercial circles and the academic circles to overthrow our common enemy, the warlords, and to build genuine democratic and republican politics to replace the warlord politics with our joint efforts." After liberation, Comrade Mao Zedong pointed out: "The unification of our country, the unity of our people and the unity of our various nationalities -- these are the basic guarantees of the sure triumph of our cause." This unity is, of course, the basic guarantee for us to fulfill the general task under the new historical period. To achieve the grand goal put forward by the 12th CPC Congress, we must, first of all, achieve unity within the working class.

Within the working class, we must not only achieve unity between the old and new workers, unity between different types of work and unity between workers of different trades, but must now particularly achieve unity between workers and intellectuals. Intellectuals are also laborers and they are a part of our country's working class and the supporting force in revolution and construction. However, over a long period, due to the influence of "leftist" ideology, there existed an erroneous tendency of neglecting knowledge and discriminating against intellectuals, thus adversely affecting the exploitation of the role of intellectuals and the study and mastery of scientific knowledge by the working class. Marxists have always attached importance to the great role of intellectuals in revolution and construction. When referring to the great mission of workers in seizing political power, Marx pointed out: "Workers already possess one successful factor, the strength of numbers. But only when masses are organized and guided by knowledge will the numbers of people play a decisive role." Comrade Mao Zedong also pointed out: "The working class must welcome revolutionary intellectuals to help them and must not reject their help. For without the help of intellectuals, the working class cannot make progress and revolution cannot succeed." Revolutions need knowledge and intellectuals; socialist modernization needs knowledge and intellectuals even more. In his report to the 12th CPC Congress, Comrade Hu Yaobang emphatically pointed out: "To create a new situation in all fields of socialist modernization, we must attach particular importance to bringing into full play the role of intellectuals." In the history of the workers' movement, many revolutionary intellectuals shed blood and laid down their lives for the cause of the working class. Lawyer Shi Yang who took part in the 7 February general strike was one of the glorious representatives of the working class. Since the 3d Plenary Session of the 11th CPC Central Committee, many heroes who bear the characteristics of our age and shine with communist spirit, have emerged in the construction for socialist modernization. Luo Jianfu and Jiang Zhuying are the outstanding representatives of contemporary intellectuals. They are examples from whom the vast number of workers and staff must learn. Strengthening the unity between workers and intellectuals is not only a requirement of the four modernizations but also a requirement for raising the quality of the working class. Along with upgrading the quality of the Chinese working class, their leading role will be brought into full play.

The unity between workers and peasants is the basis of the unity of all socialist laborers in our country. Peasants are the most reliable ally of the working class. In protracted revolution and construction, workers and peasants of our country have supported each other, united as one, fought shoulder to shoulder and marched together, thus establishing and consolidating the alliance of workers and peasants. In construction for the four modernizations and the present reform we must further consolidate and strengthen this alliance. The working class must produce more and better means of production and consumer goods for peasants, vigorously support reform on the agricultural front and meet various demands raised on the working class by agricultural reform. This is the obligation and duty which we, the working class, must perform. Only by properly doing the work in this aspect can we genuinely consolidate and strengthen the alliance of workers and peasants.

We, the working class, must also unite all patriots who support socialism and reunification of the motherland, and fulfill the great cause of unifying the motherland together with the people of the whole country, including Taiwan compatriots, compatriots of Hong Kong and Macao and overseas Chinese. We must also adhere to uniting with the proletariat, all oppressed nations and people and all peace-loving organizations and people in the world that uphold justice and jointly fight against imperialism, hegemonism, and colonialism, safeguard world peace and promote the progress of mankind.



To Commemorate 7 February, We Must, Under the Leadership of the CPC, Adhere to the Correct Road of Marxism, Hold Aloft the Banner of Communism Forever and March Forward Valiantly

The working class is the class basis of the Communist Party and the Communist Party is the vanguard of the working class. Only under the leadership of the Communist Party, can the working class take action as a class. The reason why the Nanjing-Hankou railway workers, during the 7 February general strike, were so highly conscientious and had a high sense of organization and discipline, united as one to wage a heroic and unyielding struggle against cruel and powerful enemies and dealt heavy blows to them, lies in the fact that the movement was led by the Communist Party. Over the past 60-odd years, the Chinese working class has, under the leadership of the party, stepped into the breach one after another to emancipate the Chinese nation and the happiness of the people, and has overcome countless hardships and difficulties, winning one great victory after another. Practice has fully shown that the party's firm reliance on the working class and the working class' resolute support for the party are keys to our victory. We have now entered into a new historical period. The working class is now faced with the new historical task of building a modernized socialist country with a high degree of democracy and civilization. To fulfill this historical task we must firmly rely on the leadership of the party. Adherence to the party's leadership is a basic principle in carrying out revolution and construction in our country.

We the working class deeply understand that although the working class is the most advanced class of the contemporary age, it cannot possess communist consciousness spontaneously. Only after accepting Marxism can the working class establish a great communist ideal and change itself from a class in itself into a class for itself. Only the Communist Party armed with Marxism can master the law of social development, represent the basic interest and will of the working class, put forward the correct fighting program, guiding principle and policies of the working class and lead the working class to fulfill the program. In China, only the Communist Party can integrate the universal truth of Marxism with the concrete practice of the Chinese revolution and point out the socialist road which corresponds with national conditions in China. Mao Zedong Thought is precisely the product that integrates the universal truth of Marxism and the concrete practice of the Chinese revolution. It is precisely under the guidance of Mao Zedong Thought that the Chinese working class has achieved one victory after another. Our party is a great party. The cause which the party is undertaking is a new cause which our predecessors had never undertaken. Unavoidably mistakes of one kind or another may appear in this process. What is important is that our party is a mature party armed with Marxism-Leninism-Mao Zedong Thought and is able to overcome its own shortcomings and correct its own mistakes. Therefore, no force can shake the core position and leading role of our party among people of the whole country.

The Chinese working class undertakes the great historical mission of transforming nature and society and building socialist material and spiritual civilization. In order to undertake this great historical mission competently, we must raise our own abilities to understand and transform the world. We must earnestly study politics, economy, science, technology and culture. Particularly we must study Marxism and gradually establish the world outlook of dialectical materialism and historical materialism. Only when we, the vast number of the staff and workers, master this sharp ideological weapon, can we produce immeasurably powerful material strength.

The trade unions play an important role in exercising the party's leadership over the workers and ensuring the closest ties between the party and the working masses. Just as Engels said: The party "turns the working class into a class organization through the trade unions. This is extremely important."

"Trade unions enjoyed high prestige among the working masses during the 7 February general strike. For several decades, the trade unions have been a powerful mass organization through which the party maintains close ties with the masses of its own class." In his report to the 12th CPC Congress, Comrade Hu Yaobang pointed out: "Our party is a political party of the working class and we must pay attention to relying on the masses of our own class." Therefore "the party's work in the trade unions must be greatly strengthened so that they become a strong contact between the party and the masses of workers. The system of congresses of workers and staff must be implemented in earnest so that these congresses and trade unions can both play an important role in ideological education, enterprise management and the improvement of the workers' living standards." This has indicated to us the important role and tasks of the trade unions in the new historical period. We working class people must, while safeguarding the party's leadership, pay attention to straightening out the trade union organizations. We must build them well and reform them in a proper way so that the trade unions may genuinely become the party's assistants and the organizations of the working masses.

Our working class is a class which masters the future. We must never forget the past. We must correctly deal with the present and make every effort to create the future. We cherish hopes for the glorious and splendid prospects. Let us inherit and carry forward the revolutionary spirit of 7 February, hold aloft the communist banner and march forward valiantly along the direction pointed out by the 12th CPC Congress!

#### HU YAOBANG ISSUES INSTRUCTIONS ON HAINAN'S WORK

HK190534 Haikou Hainan Island Service in Mandarin 0330 GMT 19 Feb 83

[Text] According to HAINAN RIBAO reporter (Guan Xin), during his recent inspection of Hainan CPC Central Committee General Secretary Hu Yaobang gave a series of important instructions on how to speed up Hainan's development and construction and other issues. Comrade Hu Yaobang called on the army and people in the island to vie with each other to build the treasure island in a still more magnificent way.

During the Spring Festival, General Secretary Hu Yaobang carried out an inspection in Hainan Island, accompanied by Guangdong Provincial CPC Committee First Secretary Ren Zhongyi, Secretary Lin Ruo and others. Also accompanying him were Central Committee Secretariat Alternate Secretary Hao Jianxiu and responsible comrades of central departments concerned. During their inspection, Comrade Hu Yaobang and the other leading comrades listened to reports given by the Hainan District CPC Committee on the achievements and changes since the 3d Plenary Session of the 11th Central Committee, plans for quadrupling the national economy, and views on opening up to the world and other matters. They also visited Lingshui, Yaixian, Dongfang, Changjiang and Danxian Counties and inspected ports, wharves, mines, and other industrial and agricultural production facilities. They visited PLA units stationed in Hainan and cordially met local responsible cadres and representatives of people of various nationalities.

Everywhere he went, Comrade Hu Yaobang made detailed inquiries about local production and construction and the people's living conditions, and gave important instructions on relevant issues.

Comrade Hu Yaobang pointed out: At present it is necessary to further emancipate the mind and carry out reforms in a resolute yet orderly way. It is necessary to speed up the pace of economic construction and strive for still higher growth rate. It is necessary to do a good job in building leadership groups at all levels in accordance with criteria of the four transformations, and tangibly improve leadership style.



He said: Everyone must emancipate his mind a bit. So long as it benefits the people's enrichment and happiness and the nation's prosperity, any method can be applied. This is a hallmark for testing whether our work is good or bad.

Comrade Hu Yaobang said: Hainan is the motherland's treasure island. The central authorities attach very great importance to speeding up Hainan's development and construction. In the past, under party leadership, people of all nationalities in Hainan worked hard amid difficulty and scored very great success. In particular, tremendous changes have occurred since the third plenary session. However, we must not overestimate our achievements. In all respects we are very far from meeting the people's hopes. The central authorities have given you policies and hope that Hainan will quickly become rich; but whether this can be attained depends on the hard work of Hainan's cadres and masses.

Comrade Hu Yaobang demanded that everyone fully understand Hainan Island's superior features and weak points. He said: Hainan's most basic superior feature is that it lies in the wet tropics. It can grow tropical and subtropical industrial crops such as rubber, coffee, cocoa, coconuts and so on. Many things produced here are not grown in other parts of China. Hainan also has an extensive coastal area. However, for a long time, Hainan has been basically a closed area, being basically separated from places outside. Many good things could not be transported out, while good things outside could not be transported in. This is Hainan's weak point. Hence, in Hainan, opening up to the world must promote development, and development must support the effort to open up to the world. Of course, assistance from outside is an important condition for Hainan's prosperity, but the surest and most effective and reliable way is to bring into play your own internal strength. You should rely on yourselves rather than on heaven and earth, and work with self-reliance to make your way.

In order to implement thoroughly the guidelines on opening up to the world and on development, central and provincial authorities have given you decision-making powers to ensure your interests and gains. Central and provincial departments must ensure Hainan's effort to get rich, and not hamper it. I suggest that all central ministries and provincial departments and bureaus indulge in little bureaucratism regarding Hainan; people are happier to be governed without interference.

Comrade Hu Yaobang said: I have found two topics: 1) how to speed up the economic construction of the whole country, and 2) how to speed up Hainan's development and construction. It is first necessary to grasp three steps: 1) decide what to do this year; 2) have a target for the Sixth 5-Year Plan; and 3) decide what to contribute as a gift to the 13th party congress in 1987.

Comrade Hu Yaobang instructed: It is essential to relax policies in order to mobilize enthusiasm in all quarters. Systems of contracted economic responsibilities in various forms must be promoted in all departments and all work. Contracted management responsibilities represent a principle and an orientation. Policies already provided by central authorities must be mastered and implemented. Hainan has many barren mountains, slopes, shores, and estuaries. Those for which the masses are willing to undertake contracted responsibilities should be assigned and contracted to them. We must also help them solve difficulties in capital, technology and tools. In production, we should implement the guiding principle of simultaneously developing long-term and short-term projects, with the latter nourishing the former. Our slogan is to get rich as quickly as possible, and also to achieve sustained and permanent richness.

Comrade Hu Yaobang also said: The system of contracted management responsibilities should be practiced not just in the rural areas but also in industry and commerce and in scientific research.

Comrade Hu Yaobang said: Hainan should practice a policy of opening up to the world. There are many Hainan overseas Chinese, and we should do a good job of work concerning them and win them into returning to their native villages and engaging in investment and construction. At the same time Hainan must also open up to other provinces and autonomous regions. Hainan can undertake joint ventures in a big way with other provinces and regions. It is also necessary to practice cooperation between army and people, to benefit both.

Comrade Hu Yaobang particularly emphasized: It is essential to do a good job in building leadership groups at all levels in accordance with the demand for revolutionization, younger age, better education and more specialization. At the same time it is essential to greatly improve the leadership style.

He said: With regard to the work of developing and building Hainan, it is necessary to be meticulous in drawing up plans and fighting battles, carry out our decisions and live up to our words. Time is speed; time is money. It is necessary to launch the army and people in the whole island to vie with each other in creating a new situation in all fields of socialist modernization, with men, women, old and young working together to bring about earthshaking changes.

The important instructions of General Secretary Hu Yaobang have pointed out the specific orientation for developing and speeding up the development and construction of Hainan Island and greatly educated and encouraged the cadres and masses in the island. Leading comrades of the district CPC Committee have pledged to follow Comrade Hu Yaobang's instructions, implement in depth the 12th party congress spirit, lead the people of the whole island to work hard, and redouble efforts to speed up the development and construction of Hainan Island.

#### Sees Hainan Farming, Industry

HK200557 Haikou Hainan Island Service in Mandarin 0330 GMT 19 Feb 83

[Report on "Newsletter" by NANFANG RIBAO reporter (Zhong Jingsi) and HAINAN RIBAO reporter Guan Xin: "The Treasure Island of the Motherland Is Full of the Beauty of Spring"]

[Text] Around the time of the Spring Festival, General Secretary Hu Yaobang, central Secretariat Alternate Secretary Hao Jianxiu and other leading comrades came from afar to visit the remotest corner of the earth and celebrate the grand festival with the army and people of Hainan. This not only uplifted people's hearts but also added to the beauty of spring in the island.

On the morning of 11 February, Comrade Hu Yaobang listened to a report of the Hainan District CPC Committee on speeding up the development and building of Hainan, and issued important instructions. In the afternoon he rode a gunboat to visit navy commanders and fighters on warships in Yulin Harbor, and also visited PLA dependents to extend cordial greetings to them. Visiting an old lady who was a PLA dependent, he asked: Where do you come from? She said: Liaoning. Guangdong Provincial CPC Committee First Secretary Ren Zhongyi, who was accompanying Comrade Hu Yaobang said: I come from Liaoning, too. The old lady said happily: Fellow provincials? Comrade Yaobang then asked: How many children do you have? She said: Two sons and three daughters. Comrade Hu Yaobang said: Too many! You should tell them not to have so many grandchildren! The old lady nodded smiling.

That evening, Comrade Hu Yaobang wrote a pair of Spring Festival couplets as mutual encouragement for himself, the army men on Hainan and the people of all nationalities: The treasure island of the motherland is full of the beauty of spring; tempest is everywhere in the divine land on earth.

The motherland's treasure island enjoys springtime all year round. When Comrade Hu Yaobang visited Hainan in 1955, he made an ebullient speech to Hainan organ cadres, saying that Hainan was the motherland's treasure island. He said: In the northeast there are three treasures: ginseng, marten fur and wula sedge. You too should make up a poem: Everywhere in Hainan there are treasures, rubber, coconuts, and sweetgrass, and you can grow three rice crops each year.

On his return to Hainan on this occasion, Comrade Hu Yaobang again stressed: It is necessary to bring into play Hainan's superior feature of being in the wet tropics. He said: Of the motherland's 9.6 million square kilometers, only 50,000 square kilometers are in the wet tropics, and Hainan accounts for 30,000 square kilometers. You must grow more rubber, coconuts, pepper, coffee, cocoa, pineapples, bananas, and mangoes. In addition to growing them over large areas, you should also plant them around your houses. Short-term projects should nourish long-term ones and the two should be integrated; it is necessary to take big strides, undertake contracted responsibilities in a big way, and become rich as quickly as possible. At the same time, you should open up to the world, and thus stimulate development. He urged everyone to emancipate their minds at bit more.

Comrade Hu Yaobang's instructions gave great encouragement and strength to the cadres and masses now working hard to speed up Hainan's development and construction.

On the eve of the Spring Festival, Comrade Hu Yaobang and the other leading comrades attended an army-people Spring Festival tea party at the Yulin Naval Base and exchanged Spring Festival greetings with representatives of PLA commanders and fighters and of people of all nationalities in Hainan. Afterwards, he went by automobile to visit the remotest corner of the earth, Hainan's famous scenic spot.

At about 1500 he arrived at Basuo port in Dongfang County. Comrade Hu Yaobang and the other leading comrades asked detailed questions about production and construction in the port and inspected the facilities. At the same time, they listened to a work report delivered by a leading person of the Dongfang County CPC Committee. When informed that the locality was suitable for growing mangoes, Comrade Hu Yaobang said: Dongfang should grow not just mangoes but also other tropical fruits and trees. Tropical crops are your special superior feature. You grow things here that are not grown elsewhere in China. Dongfang mangoes are famous; you should plant more, export them, ship them to Beijing and make money.

When informed that Dongfang County planned to quadruple total industrial and agricultural output value by 1987 compared with the 1980 figure, Comrade Hu Yaobang said happily: In 1987 the party will hold its 13th congress. You should present this achievement as a gift to the 13th party congress.

On the evening before the Spring Festival, Comrade Hu Yaobang and other leading comrades went to the famous Shilu iron mine to spend the festival with the miners. They listened to a work report delivered by a leading comrade of the mine and studied questions of industrial reforms. At about 2000 Comrades Hao Jianxiu and Ren Zhongyi, accompanied by Comrades Luo Tian and Lei Yu, went to the mine's extraction site and cordially greeted the miners who were working during the festival.

On the first day of the lunar new year, Comrade Hu Yaobang went to Danxian County and visited the South China Tropical Crop Research Institute and the South China Tropical Crop College. He then visited the county CPC Committee offices and heard a work report given by a responsible comrade of the committee. Danxian has developed rubber production very quickly, and has become one of China's main base counties in rubber production. Last year it produced over 10 percent of the country's dried rubber. After another 7 or 8 years, when a large tract of new trees will start yielding, the county's dried rubber production could equal the present entire national total.

Comrade Hu Yaobang said happily: This is good news; people rejoice to hear this.

Spring comes early in Hainan. Comrade Hu Yaobang and the people of Hainan have greeted a new spring together. This is not just a seasonal spring but is even more, a spring in people's hearts and a spring of creating a new situation in all fields of socialist modernization. Your reporters sign off this newsletter with a phrase of Comrade Yu Yaobang delivered at the Spring Festival tea party: Comrades, I hope you will vie with each other in the great enterprise of creating a new situation in all fields of socialist modernization, with men, women, old and young working together to bring about earthshaking changes and build the motherland's treasure island in a still more magnificent way.

#### YANG SHANGKUN, LIAO CHENGZHI INSPECT SHENZHEN

HK200303 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 19 Feb 83

[Text] After inspecting the Zhuhai Special Economic Zone before the Spring Festival, CPC Central Committee Political Bureau members and NPC Standing Committee Vice Chairmen Yang Shangkun and Liao Chengzhi visited the Shenzhen Special Economic Zone during the festival. They listened to a work report given by provincial CPC Committee Standing Committee member and Shenzhen City CPC Committee Secretary Liang Xiang, and commented: You have scored very great success. You must have even more soaring ambitions and further speed up the construction of the special zone.

During their inspection, Comrades Yang Shangkun and Liao Chengzhi were happy to praise the achievements of the Shekou Industrial Zone and expressed support for the reforms now underway there. They were also happy over a fishing brigade where every household has become a 10,000-yuan household, and hoped they would do still better in the next year.

#### STATE COUNCIL ORGANS SET UP ECONOMIC LAW UNITS

OW181211 Beijing XINHUA Domestic Service in Chinese 0241 GMT 18 Feb 83

[Text] Beijing, 18 Feb (XINHUA) -- According to a ZHONGGUO FAZHI BAO [CHINESE LEGAL SYSTEM NEWS] report, 16 ministries, commissions and bureaus under the State Council have set up organizations in charge of economic laws and regulations while 15 ministries, commissions and bureaus have designated organizations to take charge concurrently of economic laws and business regulations.

Since their inception these legal organizations have played a positive role in formulating, revising, implementing and examining economic laws and regulations; in using economic laws and regulations to guide and manage economic work; in stepping up propagation and education in economic laws and regulations; and in collating and compiling economic laws and regulations.

Various departments concerned under the State Council participated in the formulation or revision of 11 laws and regulations which have been adopted and promulgated by the NPC or the NPC Standing Committee. They include "The Economic Contract Law," "The Law of the People's Republic of China on Joint Ventures and Cooperative Enterprises Using Chinese and Foreign Investment," "The Trade Mark Law" and "The Law Governing Foodstuff Hygiene." The State Council has promulgated or approved more than 80 economic regulations such as "Certain Regulations on Improving Planning for Capital Construction and Controlling the Scale of Capital Construction," "The Regulations Governing the Management of Foreign Exchanges" and "The Provisional Regulations on Commodity Price Control."

These laws and regulations play an important role in readjusting economic relations, improving financial management, strictly enforcing financial and economic discipline and enhancing economic results. Of the economic laws and regulations being planned by the Economic Law and Regulation Research Center for 1982-1986, as many as 22 concern finances.



A responsible person of the Law and Regulation Department of the Ministry of Finance has stressed the necessity to constantly study new situations and new problems in the course of economic reform, and formulate or revise relevant economic laws and regulations in order to provide legal assurance for the reform and consolidate the accomplishments of economic reform.

The legal organizations of many economic departments provide legal counseling and services to various units of their respective departments. Some of the legal organizations also play an important role in promoting economic relations with foreign countries.

#### ZHAO ZIYANG ON COMMERCE CONTRACT SYSTEM, PRICES

HK181253 Beijing RENMIN RIBAO in Chinese 18 Feb 83 p 1

[Report: "Zhao Ziyang Says to Zhang Binggui: There Should Be No Price Rises After Introduction of Contract System in Commerce"]

[Text] At a Spring Festival party Zhang Binggui, special class model worker from Beijing and an outstanding salesman, extended his New Year greetings to Premier Zhao Ziyang and reported on the situation in a Beijing department store. He said that since the contract system was adopted in this department store, past phenomena such as "everybody eating from the same big pot" and the "iron rice bowl" have been improved.

Premier Zhao was very pleased to hear this and gave the following instructions right away: 1) There is still much work to do after adopting the contract system; 2) there should be no price rises; 3) in small commodities must be dealt with according to people's needs.

Zhang Binggui conveyed Premier Zhao's important instructions to his fellow staff and workers. They all felt greatly inspired.

#### RENMIN RIBAO COMMENTARY EXAMINES OVERSTAFFING

HK210944 Beijing RENMIN RIBAO in Chinese 21 Feb 83 p 2

["Commentary" by Dai Yuqing [2071 3768 1987]: "Where Will Messrs Nanguo Go?"]

[Text] Some people compared the current reform in our economic structure in some of our units with the reform of King Min of Chi in managing the team of music players. King Min's father, King Xuan, appreciated the ensemble of hundreds of yu, an ancient wind instrument. This made it possible for an incompetent player called Mr Nanguo to earn his living as a player, swelling the size of the royal orchestra. However, King Min liked to listen to solos, and Mr Nanguo had to silently leave his job.

Today, in a unit where an experiment is underway in the implementation of the system of assigning all-round responsibility for management by contracts, the laborers are given the freedom to make choices on their own, and those who are competent are given the opportunity to come onto the stage and play a "solo." As a result, it is clear at a glance who is competent and who is an incompetent worker employed to swell the numbers. Our Messrs Nanguo have begun to be seized with fear.

What does the fear suffered by Messrs Nanguo signify? It signifies that the current reform in our economic structure has begun to touch a very sensitive problem -- the problem concerning the power of employing personnel in our enterprises. In the past, our enterprises had hardly any power in employing personnel. They were not allowed to break a rule in order to promote staff members or workers for good performance, nor were they allowed to transfer the staff members and workers whose performance was poor or who were incompetent for their posts, let alone dismissing these staff members and workers.



This was especially the case for the leading cadres in some enterprises, who occupied the posts but gave no thought to the duties of their posts; they were not punished for this, nor did they have to shoulder any economic responsibility for their work. The result was that a very small number of Messrs Nanguo who took their posts only to swell the numbers undermined the initiative of the majority of the staff and workers. The broad masses of people in the enterprises could do nothing to overcome this malpractice. They indignantly asked how this malpractice could be regarded as a way to manage socialist economy and simply regarded this malpractice as housing lazy people to muddle along in our enterprises. If we allow this malpractice to continue, we will bring our economic construction into a chaotic situation in the same manner as letting incompetent players disrupt the music played by competent members of an orchestra.

One of the important contents in our reform of economic structure is to gradually hand down to our enterprises the power related to the employment of personnel. Leading cadres of basic-level units should be assigned economic responsibility formulated in the form of contracts. In the units where conditions are ripe, we should let the masses select leading cadres through democratic election so as to assign "people of understanding" to leading posts. In some enterprises where the system of contracting all-round responsibility is implemented, we can allow the staff and workers to organize their labor on a voluntary basis and thus form work teams at their own will. This is like the method upheld in the article entitled "The Power of 'Forming Work Teams Freely'" published in this newspaper today. Thus, people will scramble for "people of abilities" and expertise and vie with one another in choosing these people to lead their enterprises. Those "honest people" who have no expertise but do their work diligently will also be enthusiastically and well-accepted by the people. However, the very small number of Messrs Nanguo will certainly be isolated, and it will be impossible for them to continue to remain in posts for which they are unqualified and to go on living by food from the "same big pot."

It is a tremendously good measure to allow our enterprises to have the power of selecting people to employ. The reform in the system of "eating from the same big pot" will not only cure the laziness of Messrs Nanguo, but, more important, we will place pressure on them and force them to honestly do their work and study hard in order to become, at a relatively early date, people of abilities and people who will make contributions to our socialist construction. We are fully confident that the reform in our economic structure will bring about increasingly marked effect day by day and force most of the people who formerly belonged to the category of Messrs Nanguo to learn some real abilities or skill.

#### WANG PING CITES MIDDLE-AGED INTELLECTUALS' ROLE

OW180811 Beijing Domestic Service in Mandarin 1000 GMT 15 Feb 83

[Text] On the eve of the Spring Festival Wang Ping, political commissar of the PLA General Logistics Department, emphasized at a meeting of high-level intellectuals working for those units under the command of the General Logistics Department that in carrying out reform now, our intellectuals are faced with the problem of aging. All of us must fully understand the relations between the development of the four modernizations program and the practice of carrying out reform, enthusiastically support reform and actively participate in reform. The General Logistics Department is one of the units where many intellectuals congregate. Cadres in the field of science and technology alone, including a certain number of high-level intellectuals, account for 52 percent of the total.

Wang Ping pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, party organizations at all levels have scored remarkable achievements in earnestly implementing the party's policy on intellectuals, particularly in the course of implementing the policy with regard to middle-aged intellectuals, boldly promoted and assigned them to various posts and eliminated the practice of promoting cadres solely on the basis of seniority. They have boldly let middle-aged scientific and technical cadres assume the responsibility for doing major scientific research projects. During the past several years more than 1,000 scientific research projects have been completed, with outstanding results.

With regard to the work of carrying out reforms in all fields he emphatically pointed out: Our intellectuals are faced with the problem of aging. We need to solve this problem as soon as possible. We must boldly support middle-aged intellectuals in passing on their experience and helping and guiding the young ones. At the same time we must also concern ourselves with young intellectuals and enthusiastically help them so that they can grow up as rapidly as possible.

BAN YUE TAN DISCUSSES PRC'S CONTRACT LABOR SYSTEM

HK220534 Beijing ZHONGGUO XINWEN SHE in Chinese 0757 GMT 21 Feb 83

[Text] Beijing, 21 Feb (ZHONGGUO XINWEN SHE) -- Since the beginning of this year many areas in China have been practicing the contract labor system. In its latest issue, BAN YUE TAN has asked the Labor Planning Bureau under the Ministry of Labor and Personnel to answer questions on why China should practice the contract labor system.

The system of employment with permanent workers as its mainstay as presently practiced in China has the defect of "everybody eating from the same big pot." A similar defect also exists in the distribution system. These defects together have caused serious consequences as expressed in the fact that some people who have come in refuse to go out. Those who have gone up refuse to come down. Those who should be transferred refuse to move. Everyone gets the same pay no matter whether he works or not, whether he does much or little work and whether he works well or poorly. This dampens the workers' enthusiasm, hinders progress in science and technology and hampers the development of productive forces.

The contract labor system is a kind of employment system. A characteristic of this system is that when a unit recruits a worker it signs a labor contract with him, specifying the duties, rights and benefits of both parties. It is mainly a system of contracted responsibilities. The purpose of practicing the contract labor system is to shatter "the iron rice bowl" and the system of "everybody eating from the same big pot" and to overcome the defect of the system of employing permanent workers. The contract labor system represents a major reform in the system of employment. A unit practicing this system may select, promote, downgrade or dismiss a contract worker according to conditions or production or other work. A worker has freedom within a certain scope to choose his profession according to his specialty, aspirations and likes. Society may make unified arrangements for the labor force according to state planning.

Actual conditions in China show that for the foreseeable future it will be desirable to practice a new system for new workers and to stick to the old system when dealing with veteran workers; that is, to practice the contract labor system when recruiting new workers and to carry out the existing system in dealing with workers who have been employed for some time. However the existing system should be reformed when necessary and where possible.

The strong points of the new system should be displayed to lead the old system to a complete reform, so that the whole contingent of staff and workers will gradually change to practice the contract labor system. The labor contract should clearly specify the tasks to be performed, the term of employment, and other conditions concerning wages, insurance, welfare, labor discipline, safety measures and termination of contracts, as well as the responsibility for breach of contract and other rights and obligations to be borne by both parties. A contract takes legal effect as soon as it has been signed. It must be strictly observed by the parties concerned. A party which violates the contract should bear legal responsibility. A labor contract should be signed in accordance with the state's laws, decrees and policies concerned and in the principle of voluntary participation and being fair and reasonable. Long-term contracts or contracts for a specific period of time (such as 3 years or 5 years) may be signed for production positions or other work carried out throughout the year. Contracts for work to be done on rotation may be signed for jobs in connection with poisonous or injurious materials in enterprises and mines. A contract may be renewed or extended when required by production or work and if the worker has performed his duties well.

The contract labor system is much better than the temporary duty system practiced in the past. For example, under the contract system the workers enjoy social insurance. There are labor service companies acting as administrative organs and workers are insured against illness, injury, disability and old age. Workers employed under the contract system enjoy a political status similar to that of permanent workers. They are treated as permanent workers are when applying for party, CYL or trade union membership and participating in cultural, vocational and technical studies. They are paid according to work done. They enjoy equal pay for equal work. They may earn a greater income than the permanent workers do by doing more work, working efficiently and making their work produce better economic results. They receive remuneration specified for the jobs they are doing. When their jobs change their remuneration also changes.

#### PAPER VIEWS CONTRACTING, CADRES, RESTRUCTURING

HK181245 Beijing RENMIN RIBAO in Chinese 18 Feb 83 p 1

["Opinions Digest" column: "Technical Contracting, Selection of Leading Cadres, Administrative Restructuring"]

[Text] Popularizing the Technical Contract System Among Scientific and Technical Workers

At present, a realistic and feasible method to satisfy the needs of industry for scientific and technical workers is to make technical contracts with relevant scientific and technical workers who are invited and to give them necessary remuneration. In this connection three points must be noted: 1) There should be a policy on this; 2) a contract should be signed; and 3) most income should belong to the individual.

It Is Necessary To Widen the Field of Our Vision in Selecting and Promoting Leading Cadres

When reorganizing the leading bodies and selecting and promoting party and government leading cadres, it is necessary to broaden the field of our vision and expand the range of our selection rather than limit our vision in the promotion of existing party and government cadres. We must select talented people from all trades and professions, especially from the intellectuals who are professionally competent. When selecting party and government cadres from the intellectuals, attention should be paid to selecting those who have both professional knowledge and organizational and management abilities. It is necessary to make an overall consideration so that their strong points can be further developed and their weak points be overcome and so that they can be used in the best possible way.

### Promote Administrative Restructuring With the Spirit of Reform

In reorganizing the leading bodies, leaders are particularly required to take the lead in the reform with the new spirit of reform and by means of new work methods. Provided they are clear-headed, take a long-term view, adhere to the party's principles in arranging personnel matters and care to and know how to get rid of obstacles on their road of advance, they will surely be able to change their negative situation and quicken the pace of administrative restructuring and reorganization.

### YANG JINGREN URGES MINORITY AREAS' DEVELOPMENT

OW211508 Beijing XINHUA in English 1634 GMT 20 Feb 83

[Text] Beijing, February 20 (XINHUA) -- The role played by China's democratic parties in guiding economic development in remote areas populated by minorities was underscored today by Yang Jingren, head of the United Front Work Department of the Chinese Communist Party Central Committee. He said economic development in minority areas would help eliminate inequalities among China's nationalities.

Yang Jingren, a member of the Hui nationalities himself, made these remarks at a conference promoting economic construction in the minority regions sponsored by the State Nationalities Affairs Commission and the United Front Work Department of the C.P.C. Central Committee here.

In recent years the five democratic (?parties)--the China Democratic League, the China Association for Promoting Democracy, the Chinese Peasants' and Workers' Democratic Party, the Jiusan Society, and the Revolutionary Committee of the Chinese Kuomintang -- have sent experts and professors to give lectures, train teachers and offer advice for economic development in Guizhou and Yunnan Provinces and Inner Mongolia and Xinjiang Autonomous Regions and other areas.

Experts were welcomed by the local people, he said.

Jiang Ping, deputy head of the United Front Work Department said: "Facts show that supporting border areas with expert advice and technical guidance opens prospects and a way of bringing about the prosperity of all the nationalities in China." He said that areas populated by minorities are considered economically and culturally underdeveloped. He urged all democratic parties help economic developing in these areas with human resources, material and advice.

Fei Xiaotong, Chinese sociologist and vice-president of the China Democratic League, noted that China's minorities make up 6 percent of the country's population and there are rich deposits in minority areas, which cover 60 percent of the country's land.

"The eight [as received] democratic parties have many specialists, scholars and professors. They can do a lot in promoting the economic and cultural development in minority [areas]," he said.

Leaders of 17 provinces' and municipalities' united front work departments attending the meeting will contact the five democratic parties and ask for more advice for local economic development according to this regions' practical conditions. Experts will provide advice in the areas of economics, science and technology, education, culture, medicine, enterprise management, accounting and statistics, and in exploitation and use of resources as well as construction planning.

[Beijing XINHUA Domestic Service in Chinese at 1229 GMT on 20 February carries a report on this meeting which adds the following: "Li Ding, deputy head of the United Front Department of the CPC Central Committee, and Wu Jinghua, first vice minister in charge of the State Nationalities Affairs Commission, also spoke at the meeting."]



WANG ZHEN SENDS LETTER TO JIANXI STATE FARM

OW201212 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 18 Feb 83

[Text] On New Year's Eve Wang Zhen, member of the Political Bureau of the CPC Central Committee, sent a letter from Beijing to the party committee and workers of the Hongxing state-run land reclamation farm in Jiangxi urging them to advance the production and construction of the state to a higher level in the new year.

During the 10-year turmoil, Comrade Wang Zhen worked and did physical labor in the farm for 3 years. He won the true affection and respect of the farm's cadres and workers for his hard-working and plain-living style and his amiable and easy-to-approach manner. Comrade Wang Zhen had deep feelings toward the farm. He regarded Hongxing farm as his second native place, saying that "Hongxing is my home."

In his letter, Comrade Wang Zhen wrote: You have lived plainly and worked hard to make the country strong in the last 20 years. Since the 3d Plenary Session of the 11th CPC Central Committee, in particular, you have been seriously implementing the party's principles and policies, more than doubling the farm's industrial and agricultural output value. Now you have set up a farm of some 700 milk cows and a factory capable of processing 500 dun of powdered milk. This will be a foundation for further development. I feel happy about your achievement and want to congratulate you on your success.

Comrade Wang Zhen put forward his new hopes for the farm workers. He asked them to grasp firmly the two links: science and technology, and system of responsibility. He asked them to farm, tend cows and plant trees all in scientific way. He asked them to clearly define people's responsibilities and be fair in meting out rewards and punishments in order to raise the farm's work to a new level.

Comrade Wang Zhen's cordial letter greatly inspired the 20,000 workers, who pledged to carry out their work more successfully. They planned to expand their scope of production, to increase the number of branch farms to 9 from the current 5, to increase the number of pigs to 21,000 and to produce 1.1 million yuan of profit. In addition, in response to Comrade Wang Zhen's call for greening the farm's landscape and beautifying the motherland as contained in his letter, the farm planned to reclaim 1,500 mu of undeveloped land for greening and afforestation. To improve the masses' living conditions further, the farm planned to build workers' dormitories and welfare centers with a total floor space of 10,000 square meters and to turn the farm into a socialist enterprise engaging in agriculture, industry and commerce.

OVER 220,000 SMALL RURAL PROJECTS COMPLETED

OW220824 Beijing XINHUA in English 0715 GMT 22 Feb 83

[Text] Beijing, February 22 (XINHUA) -- More than 220,000 small irrigation, drainage and farmland improvement projects have been completed in China's countryside between early October and late December. The volume of work involved in many major agricultural provinces was bigger than in the same period a year ago, according to the Ministry of Water Resources and Electric Power.

In all, 1.1 billion cubic meters of earth and stone were moved in building the projects. More are under construction.

Most of these are small projects built by people's communes or their sub-divisions, or by groups of peasants on their own initiative. A growing number of peasants, with more funds now in hand and keen to expand production under the responsibility system, are working in cooperation to build small water control projects within the reach of their financial and labor resources. The government is providing them with necessary financial aid.

In Liangcun commune of Qianxian County, Shaanxi Province, a number of peasants, following a discussion, agreed to line irrigation ditches 69 kilometers long with cement to prevent seepage. Each peasant contributed two yuan for every mu of farmland (one-fifteenth of a hectare) which will benefit from the project, and a total of 150,000 yuan was collected. Through their joint efforts, the peasants have constructed 23,000 pre-fabricated cement slabs and laid in sand and stones. Construction is now under way.

Lin Gan, a member of the Dacha people's commune in Fugu County of the same province, invested 1,700 yuan to build dikes and other projects that will bring irrigation to four hectares and convert some plots of land near a river into rice fields. His neighbors joined in the construction work, and those who contributed more labor than others will not be charged irrigation fees after the completion of the project.

According to the Ministry of Water Resources and Electric Power, a new practice widely introduced this winter is the signing of contracts to fix the building quota for each area or family. In dredging a waterway in Nanhui County on the outskirts of Shanghai, the county government, which is the sponsor, signed contracts with local communes and production brigades and the latter in turn signed contracts with work groups and peasant families so that the construction quotas were parcelled out to the builders in proportion to the benefits they are to receive.

According to water conservancy departments, the signing of contracts has increased the peasants' initiatives since the contracts relate the building tasks with the peasants' immediate interests.

Meanwhile, large reservoirs, hydroelectric power stations and other projects are being built with government investment.

#### PRESS NOTES 1982 PLA ASSISTANCE TO CIVILIANS

OWL81325 Beijing XINHUA in English 1112 GMT 18 Feb 83

[Text] Beijing, February 18 (XINHUA) -- The Chinese People's Liberation Army (PLA), which is composed of 4.2 million officers and soldiers, donated an average of 6.5 working days per person last year to help people build projects, train technicians, fight natural disasters or plant trees, according to recent reports in the Chinese press.

Supporting the people has always been an important way the P.L.A. enhanced relations between the Army and the people, while in the process promoting ideological development in the Army itself. However, last year's "Army-support-people" movement was carried out on a wide scale, and stress was placed on using technology in order to stimulate the nation's economic construction, according to the PEOPLE'S DAILY. One report noted that this was done in accordance with a proposal raised by Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party.

Among the 20,000 civilian projects the Army worked on were reservoirs, harbors, bridges, roads and public places of entertainment. In 1982, the P.L.A. Navy dispatched over 100 ships and a large number of construction troops to complete construction of four harbors in areas of south and Southwest China. The Engineering Corps transferred 12,000 machines and vehicles, including bulldozers, excavators and trucks, to build irrigation projects and communication facilities for people in various places.

While cooperating with people in undertaking scientific research, Army units stationed in different localities organized special classes and trained about 60,000 technical personnel.

Among those in the countryside in North China some 10,000 mechanics were trained by the P.L.A. Beijing units last year.

The General Political Department of the Army recently commended some units which were distinguished for their contributions in rescue work and combating natural disasters. When an area in east Shandong Province was hit by serious drought last spring, the PLA's LIBERATION ARMY DAILY reported, Army units there sent 52,000 soldiers and 25,000 machines and vehicles to carry water to the fields, thus enabling local peasants to plant crops on 6,000 hectares of drought-hit farmland.

One day last year, a fire raged through the Ewenke grasslands in the Inner Mongolia Autonomous Region. Informed of the news, a P.L.A. Railway Corps unit stationed nearby ordered at once 2,000 soldiers to hurry to the scene of the fire. Through six days and nights of joint efforts on the part of the troops and herdsmen, the fire was put out. The P.L.A. Air Force also sent planes to put out forest fire.

In reviewing the nation's 1982 voluntary tree planting campaign, the Central Greening Committee commended the Army, saying that the Chinese People's Liberation Army was "especially outstanding" in the campaign. Figures from the committee indicate that the officers and men planted 57 million tree saplings last year.

In 1982, the Army hospitals all over the country gave medical treatment to 44.5 million civilians. In addition, a large number of Army doctors were sent to civil hospitals to share experience with medical workers there and improve medical technology.

USSR-GDR TV SERIES ON KARL MARX TO BE AIRED

OW190500 Beijing XINHUA Domestic Service in Chinese 0019 GMT 19 Feb 83

[By reporter Li Guagru]

[Text] Beijing, 19 Feb (XINHUA) -- "Karl Marx in His Youth," a television series, will be shown nationwide in China by the Central Television Station in early March.

This 14 March will mark the centenary of the death of Marx. The drama vividly depicts the major events in Marx's life, from his study in college to his drafting of the "Communist Manifesto" in cooperation with Engels. It also touchingly portrays the great revolutionary friendship between Marx and Engels, the lofty and pure love between Marx and Jenny in their youth and their frustrating, difficult life in exile as a result of the Prussian authorities' persecution because of their scientific communism theory. Many historical figures who had important influence on Marx also appear in the drama.

The seven-part television series was jointly produced by GDR television and Soviet television. It was dubbed in Chinese by the Central Television Station. From script writing to production, the entire series took almost 8 years. The main outdoor scenes were shot in the GDR. Marx was played by Bulgarian actor (Wen Chishev), while Jenny was played by GDR actress (Lei Bolumei). The sound dubbing for Marx and Jenny was made by Ding Peng, Zhang Jiasheng, Zhang Guilan and Zhu Yurong.

NANFANG RIBAO DISCUSSES TIDE OF REFORM

HK210300 Guangzhou NANFANG RIBAO in Chinese 12 Feb 83 pp 1, 3

[Commentator's article: "The Irresistible Tide of Reform"]

[Text] As in other parts of the country, reform is now under way in every trade in our province. It is a powerful trend to which we should adapt ourselves so as to keep abreast with the development of the situation.

Reform, which means replacing the old and with the new, is the ironclad guarantee of our victory in modernization. Our province would have achieved no success in the last few years without the reform which was in progress. The special policies and flexible measures which we are now implementing, and the pilot project of the special economic zone which we are now engaged in, are important reforms. Similarly, the implementation of a more thorough open-door policy toward the outside world and a more relaxed one at home, and the vesting of more power to the lower levels, are other important reforms. Practice has shown that production will grow and work will be rapidly improved whenever a region or a department attaches importance to reform.

Agricultural reform in our province has strongly proved this. As a result of the implementation throughout our rural areas of the responsibility system linking remuneration to work with the system of fixing output quotas based on households and the system of assigning land to each household in exchange for specific levies as its major forms, we have managed to greatly mobilize the peasants' initiative in production and rapidly improve the situation in the rural areas. Today, we have succeeded in solving the problem of feeding and clothing the population throughout the rural areas in our province. Moreover, our people there are getting richer and richer. Reform in other sectors, such as industry and commerce, has proved the same thing. The facts tell us that only by courageously taking the step toward reform can we make mighty advances. Active reformers will always achieve victory in creating a new situation.

Although we have done some reform work, what we have done still lags far behind the needs of the situation. We must have a clear understanding of the situation of the current reform: If we refuse to reform, we will never be able to keep in line with the situation and realize the four modernizations. Our party organizations and leading cadres at all levels throughout the province must see the urgency of reform.

What should we do in the current reform? What are the direction and the focal points of the reform? We must be clear on these points. In light of the situation in our province, despite differences between the specified contents of reform in different departments, there are some aspects of common interest which should draw common attention.

1. Set up the responsibility system, pay special attention to "contracting responsibility," and eliminate the serious malpractice of nobody being responsible for a job and "all eating from the same big pot." The responsibility system must not only be set up in such economic sectors as agriculture, industry, commerce, foreign trade and so on, but also in those noneconomic departments and in the course of the structural reform as a whole. In carrying out reform and enforcing the system of contracting the responsibility of management in the industrial and commercial sectors, we can adopt different forms in compliance with different circumstances in different trades. The system of contracting responsibility can be applied to such trades as small industry and the catering industry where relaxing policy will not affect the national economy and the people's livelihood.



Those large-scale industrial enterprises where conditions are ripe can adopt the method of gradually increasing profits, in following the example of the Shoudu Iron and Steel Company; while the general backbone enterprises can carry out the system of substituting taxes for delivery of profits and contracting jobs after paying taxes. The form to be chosen must depend on the characteristics of different trades and be based on the outcome of pilot projects. By and large, we must keep on practicing, sum up experience again and again, advance in constantly studying, and enforce the reform step by step. If we simply merge departments and enterprises and reduce staff, while failing to establish a strict responsibility system in the course of structural reform, we will not be able to solve the problems of bureaucracy, poor direction and inefficiency.

2. All organizations, departments, enterprises and units must be "vested with power;" in other words, they should be vested with the necessary decisionmaking power so that they can fulfill their own duty. That every superior level strictly controls its immediate subordinate level and arbitrarily interferes in the latter's affairs will inevitably fetter the latter and thus seriously hamper the enthusiasm and initiative of the vast number of cadres and masses in production, or even hold up and destroy our cause. Since the responsibility system is carried out and the responsibilities are contracted out, the superior levels should only take care of several major matters and ensure that the principles are upheld while allowing the subordinate levels to handle their matters on their own. Therefore, the vesting of power is an important problem which should be solved in our reform.

3. Promote various economic forms and allow them to coexist. In every sector -- industrial, agricultural, commercial or others -- we must not only maintain state-run enterprises, but should also develop collectively-owned enterprises as well as allow private enterprises to exist. For example, while allowing collectively-owned and individual small-scale separate commercial and service networks to exist, we should also give them a free hand to develop. The facts have shown that this reform is one which will exert great influence on economic prosperity. We should allow the collective and the individual to run undertakings other than in the economic sector, such as education, art and literature, scientific research, and so on.

4. Strengthen the ties between town and country and between different areas, and remove the blockage between departments and regions. We must oppose monopoly and encourage competition. Prosperous enterprises are allowed to open branches in other cities and other counties, and no administrative organs in these places have the right to ban them. The interflow of goods, capital, labor force and technical personnel should be allowed. The present administrative system must be reformed and the institution of city administration over counties must be implemented. This is another important reform which is advantageous to the elimination of the separation between town and country.

5. Change the administrative system of integration of government administration and enterprise management, and separate the two. Many economic departments which should not have administrative powers should be turned into enterprises and companies. Administrative departments should learn how to apply economic methods and levers to manage the economy, and make only minimal use of administrative methods. The separation of government administration from economic management in the rural areas is also an important reform under the category of separating government administration from enterprise management.

6. Uphold the principle of material interests. The principle of material interests, as one of the important principles of Marxism, is the reflection of objective law. Our purpose in production is to meet the people's evergrowing demands in material and cultural life.

In carrying out every new system and adopting every new method in the reform, we must equally take the interests of the state, the collective and the individual and vested substantial interests of the masses into consideration. Salary and bonuses must embody the principle of distribution according to work and all egalitarian practices must be opposed. To control the issuance of bonuses, we should fix a quota and draw up the proportional relation between one's contribution and the amount of bonus he deserves. While opposing the arbitrary issuance of bonuses, we should never hamper the implementation of the principle of more remuneration for more work. The principal direction of the reform in the salary system should be the adoption of fixed salary based on position and floating salary based on contribution.

The above six points are the problems which we must focus on throughout the whole course of the reform. All fronts should pay attention to them. If we can give meticulous instruction, carry out an overall reform in a guided and planned way, and, first of all, devote our efforts to the above six aspects, our reform is bound to achieve greater victory and thus a new situation will emerge.

Reform has already become an irresistible trend. The situation throughout the province is really encouraging. The leading organs and cadres at all levels are required to stand firmly in the forefront of reform and be strict in their work. On the one hand, we should not hamper such a trend of reform since we cannot possibly stop it. On the other, we should not give rash instructions and take arbitrary measures. For this reason, some working departments must change their work style and work methods which no longer suit the current circumstances and meet the objective requirement, throw away those outdated and old regulations and restrictions, devote themselves to reform, study new circumstances and solve in good time new problems emerging in the reform, provide guidance in case of deviation, and criticize violation of law and breach of discipline.

Let us be pioneers in the reform, unite with the broad masses of people and make great contributions to all aspects of the reform!

GUANGZHOU RIBAO URGES CADRES TO LEAD REFORM

HK190818 Guangzhou GUANGZHOU RIBAO in Chinese 4 Feb 83 p 1

[Commentator's article: "Leading Cadres Should Stand in the Forefront of Reform"]

[Text] Filled with ardor and sincerity, the CPC Committee of the Guangzhou City Housing Administration Bureau supported the request of reform put forward by the advanced workers in the same unit and spread the experience of the No 3 operation team of the Guangzhou House Building Company in implementing an all-round contract system. They respected the masses for their initiative of reform, and they dared to act as promoters of progress in the reform. This attitude is worth upholding as an example.

At present, workers, staff and cadres bitterly hate the disadvantages of "everybody eating from the same big pot" and the "iron rice bowl" which exist in the enterprises. They call for immediate reform of economic structure and implementation of economic responsibility systems. However, leading cadres in some departments responsible for the work usually do not take a clearcut stand on the request for reform made by the grass-roots enterprises. People say that the present reform of economic structure is facing numerous obstructions which mainly come from some leading cadres.

Some of our leading cadres have doubts and worries about the economic structural reform. They are afraid of the "system of contracted responsibility." They fear that after enterprises implement the "system of contracted responsibility," their nature will change from "socialist" to "capitalist."

Some leading cadres fear that "if power is given to enterprises at the lower level," they will become independent and will not "obey orders" from higher authorities. Then it will be more difficult to practice egalitarianism and indiscriminate transfer of resources. Others are afraid and envious of enterprises getting rich and making more profits, alleging that this "will take away profits from the state." In a word, they still feel at ease in preserving the status quo of "everybody eating from the same big pot" and the present system practiced by state enterprises in assuming unified responsibility for their own profits and losses. Laden with anxieties, they hesitate to break down the system of "everybody eating from the same big pot" and introduce the economic responsibility system. Going deeply into the matter, the main problem lies in the "leftist" influence, which is far from being eliminated.

Some leading cadres take a wait-and-see attitude toward the economic structural reform and they always say: "We lack experience." They always seek to secure some regulations from higher authorities as a guideline to be followed and always expect the latter to set "an example" to be used for reference, but they never attach great importance to requests or proposals for reform put forward by the grassroots enterprises in their departments. How can they create a new situation in the reform of the economic system?

To practice is better than fighting only on paper. The CPC Committee of the Guangzhou City Housing Administration Bureau does so. They do not take orders blindly from higher authorities and/or "copy mechanically from books." They attach importance to the masses in their practice of reform. They give support to the demand for reform by the grassroots units and they popularize in good time the experiences that have been proved after a period of practice. At the same time, they pay attention to exchanging experiences in the course of reform in order to improve the reformed systems. They value the initiative of the masses and they always hold that practice is the sole criterion for testing truth. Therefore, they dare to introduce the reform and improve it constantly. We should realize that there are various forms of the economic responsibility system established by the masses. This is the best way to cure the chronic malady of "everybody eating from the same big pot." The masses have achieved results by summing up both positive and negative experiences, correcting the mistakes caused by the "leftist" tendency and bringing order out of chaos. We hope that leading cadres at all levels will value these results and keep pace ideologically with the demands of the times. We also hope that they will become promoters of progress in the reform by following the example of the CPC Committee of the Guangzhou City Housing Administration Bureau, and speed up the pace of reform in order to create a new situation in the reform of the economic system.

#### YANGCHENG WANBAO DISCUSSES CADRES' RETIREMENT

HK181054 Guangzhou YANGCHENG WANBAO in Chinese 9 Feb 83 p 2

[Article by Ren Lide [0117 3810 1795]: "We Should Feel Very Much Ashamed"]

[Text] In one of his articles, Comrade Xie Juezai, after quoting two lines from a poem written by a Tang poet Wei Yingwu: "Suffering from many diseases, I think of returning to my native place; on seeing that there are people who flee from my native place to somewhere else, I feel ashamed to continue to receive pay," added: "The situation described in these lines is quite similar to my present situation. I am getting old and my health is poor. I should retire and return to my native place. At present, there are people who cannot lead a stable life while we receive high pay each month; thus, we cannot but feel ashamed."

Through decades of arduous struggles, our revered Comrade Xie has made outstanding contributions to the people and the party. For ordinary people, there is nothing to feel ashamed of. However, the demands our revered Comrade Xie sets on himself are not comparable with those ordinary people set on themselves.



His views on whether one should feel ashamed or not are particularly contrary to common views. He feels that he is getting old and that his health is poor. However, he still occupies a position given by the party and the people but cannot serve the people in a better way. He feels compunction for this; he thinks that he is enjoying excellent pay and conditions while the masses are living in straitened circumstances and thus he feels ashamed.

Our revered Comrade Xie's breadth of vision commands admiration. It vividly embodies normal values and a sublime revolutionary spirit of putting the party's cause first, of setting strict demands on oneself, of being eager to meet people's needs, of giving consideration to people's feelings and of doing things in all sincerity according to people's will.

Such a spirit and such moral values are shared by the older generation of proletarian revolutionaries and the majority of old revolutionary cadres. At 85, Comrade Dong Biwu wrote the following: "Having made no new contributions, I feel ashamed to occupy a high position; in fact, I have rested on my laurels." These lines are filled with a feeling of shame. Comrade Xu Teli has expressed his feeling of shame many times and asked the CPC Central Committee to let him retire. Not long ago, on the eve of the 12th CPC National Congress, our revered Comrade Liu Bochong and Comrade Cai Chang on their own initiative asked to retire from the leading posts of the party and the state; in addition, many old comrades one after another have left the forefront, retired or become advisers in order to let comrades in the prime of life move up. They feel that they can truly fulfill their responsibilities only by doing so and, in this way, they can prevent "occupying high positions for too long, hindering talented people from moving up" and causing losses to the party and the people. They use their exemplary acts to give an impetus to the reforms in the cadre system. Thus, they are further esteemed and respected by the people and the party.

Because of their age and health conditions, some old comrades cannot continue to bear heavy work burdens. In order to meet the demands of the four modernizations, it is inevitable that the old must be replaced by the young. In this way, we can continually absorb new vitality and wisdom, find successors to the socialist cause and make it full of life. Once the old comrades have left the forefront, their knowledge and rich experience can still play its role. Sun Yefang, a noted economist, is no longer the director of the Economics Institute of the Academy of Social Sciences. However, he still is diligently writing from his sickbed. He has written articles of great value. Compared with those who occupy high positions but have achieved nothing, our revered Comrade Sun has in fact displayed the old cadres' high sense of revolutionary responsibility.

However, not all old cadres can conscientiously act or think in this way. Some of them do not trust the young or middle-aged cadres. Some give too much thought to personal gain or loss. Thus, even though their ability falls short of their wishes, they are unwilling to leave the forefront. This minority is forced by circumstances to retire. When they do retire, they put forward the following conditions: better pay and conditions than they have enjoyed; better arrangements for their children; and better and more comfortable houses, even though their present houses are already big enough. The party and the people have not forgotten the contributions made by many old cadres to the revolutionary cause and have made proper arrangements for them to comfortably pass their remaining years. If they still think that they have followed the party for decades, that they made great contributions and that they are thus entitled to enjoy the above presumptuous demands, they really should feel ashamed.

It is important for people to recognize their own knowledge; for one to feel ashamed when one knows one's limitations.



Compared to the education and nurturing a party member or cadre receives from the party and his mother -- the masses -- the work he does for the people and the contributions he makes, no matter how great or how many they are, are of little significance. Even people like our revered Comrade Dong, our revered Comrade Xie, Marshal Liu and Comrade Cai, who enjoy high prestige and command universal respect, are very modest. Thus what do we have to be proud of ourselves? It is very difficult for one to have a completely clear conscience, but one should have a sense of shame. If every old cadre who retires has his eyes on the future and the overall situation, is broadminded and farsighted, he can conscientiously take people's wishes and demands as the criteria for his actions, take the interests of the whole into account, know what is important, happily retire and actively support people who are in the prime of life and have real ability and are gaining knowledge to move up quickly and who will not be preoccupied with personal gains and losses.

#### GUANGDONG FACTORY ENGAGES IN FOREIGN TRADE

HK211006 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 20 Feb 83

[Text] After obtaining approval from the provincial People's Government, the Guangzhou Sisal Hemp Spinning and Weaving Mill has begun, since November 1981, to directly carry out foreign trade on its own. This mill is one of the first batch of enterprises in our province in which experiments in a major reform of the management of foreign trade is being carried out.

During the year since the reform began, this mill has earned more than 6,827,000 yuan in foreign exchange, which is 150 percent more than the \$2.71 million in foreign exchange it earned the year before, when its products were purchased and exported completely by the provincial textile products export and import company.

The Guangzhou Sisal Hemp Spinning and Weaving Mill is a complex enterprise of spinning, weaving and dying processes. At present, it has more than 20,000 spindles and more than 500 looms, and the bleaching and dying facilities have the capacity to process 24 million meters of cloth per annum. It employs more than 4,300 staff and workers. It produces for export, in addition to its traditional export products of sisal yarn, 21 kinds of other products such as finespun silk yarn, fabric made from waste silk, blended fabric of hemp and silk, hemp and polyester, cotton yarn and hemp yarn and cotton and hemp yarn. Because the enterprise has the power to carry out foreign trade directly, the procedures of export have been simplified and the time for making transactions and deliveries of goods has been shortened. Moreover, it facilitates the satisfactory execution of the term of contracts. As a result, foreign businessmen are willing to do business directly with the mill. During the past year, the mill has established business relationships with 65 foreign firms and has signed 89 contracts with them.

Through carrying out business directly with foreign businessmen, the mill can promptly learn the demand in the foreign market and promptly readjust the types of its products accordingly in order to make its products marketable. In the past, there was some low-grade hemp in the mill that was handled as scrap, but through contacts with foreign businessmen, the mill has learned that foreign businessmen want a kind of blended fabric of low-grade hemp and low-grade cotton. Therefore, the mill uses the low-grade hemp to produce such fabric for export and thus increases its foreign exchange income.

Because the mill has directly carried foreign trade and used the share of retained foreign exchange allocated to it to introduce some advanced equipment from abroad, it has increased its spinning, weaving and dying capacity.

GUANGDONG PLANS TO RECRUIT AIR FORCE FLYERS

HK200307 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 19 Feb 83

[Text] In accordance with the needs of national defense building, Guangdong will hold a recruiting drive for Air Force flying personnel trainees among prospective graduates in some senior secondary schools from March to mid-June in Guangzhou, Shantou, Meixian, Shaoguan, Zhaoqing and Zhanjiang.

GUANGDONG'S REN ZHONGYI WATCHES FOLK ART SHOW

HK200305 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 19 Feb 83

[Summary] Guangzhou City held grand street carnivals and other entertainments on 19 February to mark the Spring Festival. Nearly 1 million people watched the show on the streets, while others watched on television. Responsible comrades of the province and city and the Guangzhou PLA units Ren Zhongyi, Wang Meng and Liang Lingguang also watched.

HENAN URGES PERFECTING RURAL ECONOMIC POLICIES

HK210148 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 19 Feb 83

[Station Commentary: "Policies Should Be Stabilized; Measures Should Be Perfected"]

[Text] Practice has proven that in order to stabilize and perfect the agricultural responsibility system, we should first continue to raise the ideological level of the cadres and unify their understanding. The current situation is that in the areas where the system of contracting all-round responsibility to households has been implemented relatively early, the system has already been brought into an orbit of healthy development after continuous perfection and improvement. In the areas where this system has begun to be implemented later, the system has also been developed to a certain extent by learning from the experiences of others. A few such areas have even caught up with and surpassed the advanced areas. However, some areas are contented with things as they are and do not want to make progress. They do not study how to satisfy the new demands of the masses or solve new problems, and thus make it impossible to bring into full play the initiative of the masses of the people.

We can say that in the areas where the responsibility system linking remuneration with output with the system of contracting all-round responsibility as the main form has been implemented, the initiative of the masses for production has risen to an unprecedentedly high level and agricultural production has developed quickly. However, we cannot say that it is impossible for us to go any further in perfecting the responsibility system or that we have now completed the readjustment of the relations of production in our rural areas. We should not fail to see that the peasants want stability, that is, they hope that these fine policies would not be changed in a rash manner. At the same time, the peasants also hope that there will be more rational and perfect measures. For example, the peasants satisfactorily accept the system of contracting all-round responsibility, but they also hope there will be centralized management of undertakings such as water conservation, water preservation, vaccination and the production of seeds of fine species, which one household cannot do by itself. Moreover, in many areas the system of contracting all-round responsibility has only been implemented on farmland and the system of contracting all-round responsibility with remuneration linked with output should continue to be implemented in mountains, forests and waters, on lowlands and in animal husbandry, industry and sideline undertakings. The making of economic contracts is an important link for the perfection of the agricultural responsibility system. However, in many areas at present there are contracts but the contracts are not satisfactory.

The signing of contracts with the peasants assigning all-round technical responsibility is an important measure for the popularization of science and technology and the raising of economic results. However, in many areas, people are only making experiments in this and great efforts have to be made for its widespread popularization. Moreover, in some areas, the land has been irrationally assigned to peasants by contracts and there have been no measures to encourage the peasants to invest in improving the land assigned to them. In other areas, the measures for supporting families with difficulties have not been really implemented. In still other areas, the job responsibility system geared to cadres has not been perfected and the remuneration scale for cadres or for people in different jobs has been irrationally drawn up. All these problems should be solved satisfactorily as soon as possible. In short, there should be no change in our policies, but our measures should be perfected.

The system of contracting all-round responsibility with remuneration linked with output has played a tremendous role in developing production, but there is still much work to do and much potential to tap if we are to continue to improve and perfect this system. The key to perfecting this system lies in satisfactorily handling the relationships between centralization and decentralization through contracting all-round responsibility. The communes, brigades and production teams that mainly carry out their management in a centralized manner should pay attention to assimilating the favorable factors in the system of dividing up responsibility to be assigned to various households. The communes, brigades and production teams that mainly carry out their management in a decentralized manner should, in the light of the requirements resulting from the development of production and in accordance with the principle of mutual benefits, properly run the undertakings that the commune members require to be run in a centralized manner. Examples of such undertakings are mechanical plowing, water conservation, water preservation, vaccination and the production of seeds of fine species. By so doing, we will be able to give further play to the advantages of centralized management and to the initiative of commune members as individuals. In the fields of forestry, animal husbandry, fishery and mechanical service where we have not implemented the system of contracting all-round responsibility with remuneration linked with output, we should speed up the establishment of this system.

The leading groups at all levels should further emancipate their minds, have greater courage to carry out the reform and do their work more soundly. They should conscientiously and vigorously serve the people, the basic levels and production in order to promote the even more prosperous development of agricultural production.

#### HUBEI LEADERS VISIT COLLEGES, FACTORIES

HK160051 Wuhan Hubei Provincial Service in Mandarin 1400 GMT 15 Feb 83

[Summary] Responsible comrades of the Hubei and Wuhan CPC Committees visited colleges and factories on 14 February to extend greetings to experts, professors, and workers carrying on work through the Spring Festival. Provincial CPC Committee Secretary (Guan Guangfu) made a special trip to Wuhan University, where he extended regards to various experts and professors, and listened to their views on reforms. Acting Governor Huang Zhizhen, Wuhan City CPC Committee First Secretary Wang Qun and Mayor Li Zhi visited various Wuhan factories.

#### HUNAN'S MAO ZHIYONG STRESSES REFORMS AT MEETING

HK110359 Changsha Hunan Provincial Service in Mandarin 1100 GMT 10 Feb 83

[Text] The Hunan Provincial CPC Committee held a meeting of county CPC committee secretaries and county chairmen in Changsha from 5 to 9 February to study and make arrangements for structural reform in the province and the prefectures and cities and look into how to get a good grasp of economic work and strive for new progress in the new year.



Present were members and alternate members of the provincial CPC Committee, responsible comrades of the provincial People's Congress Standing Committee, Government, Military District and CPPCC, and responsible comrades of all prefectures, cities and counties and the various provincial organs.

Provincial CPC Committee Secretary Jiao Linyi conveyed Comrade Hu Yaobang's important speech delivered at the national conference on ideological and political work for staff and workers. Provincial CPC Committee Standing Committee member and Discipline Inspection Committee Secretary Shi Xinshan conveyed the spirit of the national discipline inspection work conference. Provincial CPC Committee First Secretary Mao Zhiyong and Secretaries (Xiong Xinquan) and Liu Zheng respectively spoke on how to create a new situation in work in Hunan, on structural reform, and on economic reforms.

The participants seriously studied Comrade Hu Yaobang's two important speeches on the main tasks for 1983 and on the four modernizations and reforms. They held warm discussions in connection with the reality of their areas, departments and units, strengthened confidence in doing a good job in work and got a clear picture of the orientation for advance.

Speaking on creating a new situation in all fields of work in Hunan, Comrade Mao Zhiyong said: The most important thing in creating a new situation in Hunan is to continue to maintain political unity with the Central Committee. This is the fundamental premise and guarantee for creating a new situation. For rather a long period around the time of the third plenary session, we did not follow the arrangements of the Central Committee on certain major issues, and as a result suffered losses in work. We must do very well in summing up experiences and lessons and persistently maintain political unity with the Central Committee. To achieve this aim, we must make efforts in the following respects:

1. We must fully understand that erroneous leftist guiding ideology is the root of evil, further eliminate leftist influence, overcome dogmatism, and uphold the dialectical materialist ideological line; only thus can we speed up our pace of advance. We must realize that the influence of leftist ideology and the viewpoint of the two whatevers still cannot be underestimated in Hunan. In the future we must further eliminate them in actual work, otherwise they may still obstruct our advance.
2. We must fully understand that pursuit of personality cult is a major cause of looking down on the masses, being divorced from reality and being unable to keep up with the central arrangement.
3. We must get rid of the small production ideology of sticking to old ways and establish the idea of daring to carry out reforms and create new things. We cannot undertake the heavy historic task of reform if we seek stability for fear of disorder, are afraid of taking risks, and are content with making just a little progress and a little contribution every year.
4. We must overcome blindness. We must seriously appreciate the spirit of the central principles and policies and go to the grassroots to investigate and study. This is the sole correct way of following the central authorities and making a success of work.

On the question of fully understanding the importance of reform and working hard to make a success in reforms, Comrade Mao Zhiyong said: The recent important instructions on reform issued by central leaders Comrades Hu Yaobang, Deng Xiaoping and Zhao Yiyang fully reflect the resolve and aspiration of the whole party, the whole Army and the people of the whole country to carry out reforms and accomplish the four modernizations. They point out the orientation for us in carrying out structural reforms and reforms in the economic and other fields, and point out the road for advancing to create a new situation in all fields of socialist modernization. These instructions fully conform to the actual conditions in Hunan and meet the aspirations and demands of the cadres and masses in the province.



We must resolutely support the reform principles and arrangements laid down by the central authorities, and seriously implement them.

We must profoundly understand the importance and urgency of reform. We must understand that reform is the requirement of creating a new situation in socialist modernization and the objective demand of developing socialist productive force. It is a major affair facing the whole party and the people of the whole country. With very high revolutionary fervor, very strong sense of responsibility to the revolution, and a powerful sense of urgency, we must spontaneously plunge into the tide of reform, stand in the front rank of reform, overcome problems that we may encounter in the process of reform, and strive to speed up the pace of reforms in our province. All levels and departments must carry out reforms, destroy old things and create new ones.

We must have a clear picture of the general guiding principle for reform and resolutely carry out the work in an orderly way in accordance with the steps specified by the central authorities. The leaders at all levels must actively lead reform and strengthen ideological and political work while carrying out reform. We must succeed in carrying out reform, production and work simultaneously, and apply reform to promote production and stimulate work.

Comrade Mao Zhiyong said: After the structural reform has been carried out, there will be a corresponding reduction in the number of leading members, while the work tasks will be extremely heavy. This requires a big change in our leadership style and work methods. To reform the leadership style, improve work efficiency, and overcome bureaucratism is one of the aims of the structural reform and is also the current urgent demand of the cadres and masses. The provincial CPC Committee and government and the leading members at all levels must assiduously study Marxism-Leninism-Mao Zedong Thought and learn cultural and scientific knowledge. The leadership groups at all levels must strictly practice the system of integrating collective leadership with individual division of work and responsibility, and bring into full play the role of organizations at all levels.

We must carry out deepgoing investigation and study, correctly understand objective phenomena, and strengthen inspection and supervision, so as to put work on a thoroughly sound basis. We must strengthen the cooperation of new and old and unite them to work together. We must be strict with ourselves and be up-to-standard party members.

Comrades Wan Da and Sun Guozhi spoke at the meeting on the cooperation of new and old cadres and replacement of old by new in the leadership groups.

DENG INSCRIBES SIGN FOR LIU SHAOQI'S HUNAN HOME.

HK110812 Changsha Hunan Provincial Service in Mandarin 2310 GMT 10 Feb 83

[Text] Yesterday, the Ningxiang County CPC Committee and the county People's Government held a ceremony at Liu Shaoqi's hometown to hang up a horizontal inscribed board on the door of Liu Shaoqi's former home. The board was inscribed personally by Comrade Deng Xiaoping with golden characters, meaning "former home of Comrade Liu Shaoqi."

SICHUAN ANNOUNCES NEW LEADERSHIP NAMELIST

HK190137 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 18 Feb 83

[Text] The Fourth Sichuan Provincial CPC Committee, the Advisory Committee and the Discipline Inspection Committee elected by the fourth provincial party congress have held their first plenary sessions, which have elected their leading members. The name-lists, approved by the central authorities, are as follows:

Fourth Sichuan Provincial CPC Committee:

Secretary: Yang Rudai

Deputy Secretaries: Yang Xizong, Nie Ronggui, Feng Yuanwei -- Yi nationality, Jiang Minkuan

Standing Committee members: Yang Rudai, Yang Xizong, Nie Ronggui, Feng Yuanwei, Jiang Minkuan, Tan Qilong, Lu Dadong, Xu Mengxia, Wang Chenghan, Liu Xiyao, He Haoju, Wu Xihai, Bai Shangwu, Huang Qichao -- female, (Song Dafan) (Xu Quan)

Sichuan Provincial CPC Advisory Committee:

Chairman: Tan Qilong

Vice Chairman: Lu Dadong, Yang Wanxuan

Standing Committee members: Tan Qilong, Lu Dadong, Yang Wanxuan, (Liu Xin), An Faxiao, Mi Jianshu, Du Xinyuan, Li Zhongyi, Li Linzhi, Yang Chao, (Song Wenbin), (Zhang Yongxin), Zhang Xiushu, (Miao Fengshu), Hu Yongchang, (Han Zhengfu)

Sichuan Provincial Discipline Inspection Committee:

Secretary: Xu Mengxia

Deputy Secretary in charge of day-to-day affairs: Wang Ao

Deputy Secretary: (Wang Yichun)

Standing Committee members: Xu Mengxia, Wang Ao, (Wang Yichun), (Zhang Jianjun), (Liu Zhiqing), (Wang Qingsheng), (Liu Jimao)

SICHUAN EXPERIMENTS WITH TAXES REPORTED

HK180926 Beijing RENMIN RIBAO in Chinese 17 Feb 83 p 2

[Report: "Sichuan Sums Up Experiences of Experiments at Selected Points of Substituting Tax Payments for Profit Delivery"]

[Text] In early 1980, 99 state-owned commercial enterprises in Sichuan Province started a reform experiment by introducing the method of "substituting tax payments for profit delivery and assuming sole responsibility for one's profits and losses." The successful experiences gained in the 3-year practice show that this is an effective method to overcome the old convention of "eating from the same big pot." The provincial authorities are summing up the experiences and are prepared to spread the experiences through the province.

Adopting the method of substituting tax payments for profit delivery and bearing sole responsibility for one's own profits and losses in state-owned commercial enterprises is a trial undertaking by the provincial authorities to reform the commercial management institutions. At present, the number of enterprises which have adopted this method has increased to 116, and they are in different trades, including department stores, textile stores, hardware and electrical appliance stores, stationery stores and sugar, wine and other non-staple food stores.

After these enterprises adopted the new management systems, the higher authorities did not issue mandatory plans and targets to them. Instead, these enterprises were than managed through taxation, credit grants and other economic levers. The enterprises have full rights to arrange and plan their business according to their own conditions and market needs. At the same time, the state no longer bears the responsibility for the enterprises' profits and losses in business. The enterprises need to pay taxes to the state according to the prescribed multilevel progressive taxation system. Profits after taxes are deducted and can all be retained by the enterprises to expand reproduction, improve collective welfare and issue bonuses. Enterprises which are well run and gain higher earnings can retain more profits; but if they incur losses, they have to bear responsibility for this and the state does not give them any subsidies.

the practice over the past 3 years shows that this radical reform has effectively gotten rid of all maladies caused by the practice of "eating from the same big pot" and has brought about marked results in the following three areas:

1. The reform has mobilized the initiative of the enterprises in running their business independently, and their contributions to the state have become greater. Over the past 3 years, the enterprises which carried out the experiment have paid to the state taxes of all kinds (income taxes, industrial and commercial taxes and fixed assets utilization taxes), totalling 112.6 million yuan, showing an average yearly increase of 7.55 percent. This exceeds the 6.9 percent average yearly growth rate of profit earnings. The taxes paid in this period are nearly double the amount of profits delivered in the previous 3 years.
2. On the basis of the improvement of economic results, the enterprises have also gained better economic benefits and have changed the previous state in which they had no surplus funds for building commercial facilities and improving workers' welfare. Over the past 3 years, the enterprises have retained funds totalling 22.31 million yuan, of which 4.11 million yuan was used for issuing bonuses to workers. The remaining 18 million yuan were used for building commercial facilities and improving workers' welfare. By relying on their own efforts they have settled some affairs which could not be settled for a long time when relying on state appropriations.
3. The reform has impelled the enterprises to improve their management level and service quality. The method of bearing responsibility for one's profits and losses links workers' economic benefits with the results of the enterprises' business. The enterprises which have carried out the experiment have extensively implemented various economic responsibility systems. They assigned economic targets to points of retail sales and laid down norms for groups of salesmen working behind the same counter. Some stores even adopted the method of evaluating the work done by individual salesmen and giving awards to those having an outstanding performance. Since these economic levers started to function, the enterprises' face has greatly changed and their service quality and manner have greatly improved.

SICHUAN COUNTY SETS UP NEW ECONOMIC COMBINES

HK190154 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 18 Feb 83

[Text] A number of new economic combines have emerged in Kai County amid the new situation of vigorous development of commodity production. Most of the participants are grassroots rural cadres and peasants. In general, the combines are composed of a few peasant households, ranging from 2 or 3 to 30 or 40. The county now has 376 such combines with 3,600 people in 1,500 households participating. There are simple local combines and also multilayer combines spanning districts and communes, but all of them have been set up spontaneously, based on the principle of voluntariness and mutual benefit. There are combines of capital and production means, and also combines of labor force and technology; there are also combines formed by different households raising cash, providing manpower or material according to their circumstances, each making up what the other lacks. They mainly practice distribution according to work and organize dividends on shares.

There are all kinds of outlets for joint operations, such as animal husbandry and aquiculture, crop cultivation, supply and marketing, processing, storage, transportation, construction, building materials, technical services for small hydroelectric stations and so on. The combines take full advantage of local natural superior features and bring their specialities into full play.

These combines represent concentrated utilization of scattered capital and manpower. Something difficult for one household to do can be better done by a concentration of several or more than 10 households. (Xiu Zhengxiang) and five other peasant households of (Yongsheng) brigade of (Shuangbai) commune raised 14,000 yuan themselves to build a 7.5 KW small hydroelectric station that had not been completed for many years.

The people taking part in the combines bring their own expertise into full play and make up for others' weak points with their own strong points. They understand the policy, science and management, and also spontaneously accept the state's planning guidance and persistently act according to economic laws. Their methods are flexible, sales are booming, and efficiency is high. Total output value of the economic combines in the county last year was over 1.78 million yuan and their net income was 840,000 yuan. Their profit rate was over 47 percent.

YIN FATANG ATTENDS XIZANG FORESTRY MEETING

HK190248 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Feb 83

[Summary] The Xizang Regional Greening Committee recently held a forestry meeting in Lhasa to sum up experiences in 1982, commend the progressives, and arrange tasks for this year. Yin Fatang and Redi, responsible comrades of the party and government in the region, attended and spoke. Regional CPC Committee First Secretary Yin Fatang made a speech.

The meeting affirmed Xizang's achievements in forestry, and especially the contributions of the PLA, and also noted various problems such as slow development. The meeting demanded that the region work hard to turn the plateau green at a faster speed. All places must map out development plans, and set up and stabilize forestry responsibility systems and quotas. This year the region must promote tree planting, develop cultivation of tea, walnuts and other industrial trees, and do a good job in forestry protection.



CADRE REFORM MEETING HELD IN BEIJING 26 JAN

HK161033 Beijing BEIJING RIBAO in Chinese 27 Jan 83 p 1

[Report: "Municipal CPC Committee Holds Meeting for Party Member Cadres Above Department and Section Level, Urging Them To Study Comrade Hu Yaobang's Report"]

[Text] At the meeting for party cadres above department and section level held at the Great Hall of the People yesterday, the municipal CPC Committee urged them to study Comrade Hu Yaobang's report made at the National Laborers' Conference on Ideological and Political Work. All party cadres of the municipality, above all leading cadres at the district, county, department and section level, were urged to study and assimilate the report, to understand better the importance and urgency of the reform movement, further to eliminate "leftist" influence, and to speed up the reform of the municipality.

At the meeting Chen Xitong, the municipal committee secretary, told how the municipal party committee Standing Committee studied the report, and also asked the party cadres to study it. First of all he pointed out that Comrade Hu Yaobang's report epitomized the relationship between the four modernizations and the reform movement. He also reiterated Comrade Deng Xiaoping's proposition that a series of reforms should be instituted if the four modernizations are to be implemented, and his important guiding ideology that the reforms should run through the whole process of the four modernizations. He also pointed out the way forward for our institutional, economic and other reforms. Since we can learn and gain much by studying his report, we resolutely support it. Chen Xitong said that the report tallies entirely with the actual situation. Under the leadership and care of the CPC Central Committee and the State Council we have brought order out of chaos, scored remarkable results and basically made "a small change every three years" as stipulated by the Central Secretariat since the 3d Plenary Session of the 11th CPC Central Committee. How are we going to make improvements on what has already been achieved and make "a medium change in every three years"? The key is to reform and to destroy the old and establish the new which is entirely vital to the success of the capital's modernization.

Concerning reforms already instituted in Beijing municipality, Chen Xitong said that we had instituted some economic and other reforms as stipulated by the CPC Central Committee since the third plenum. In sum, certain results have been achieved. They are, however, too minor. All reforms that have been instituted, with the exception of agricultural reform, are either too minor or are small-scale pilot projects of major institutional reforms. We are only at the initial stage and we have not instituted a full-scale reform. We still have a long way to go.

Chen Xitong emphasized that at present the most important thing to do is to increase the understanding of cadres at all levels above the municipal standing committee and to catch up with the present situation. In his speech Chen Xitong pointed out the existing misconceptions of cadres at all levels. They do not have a clear understanding of socialism and capitalism nor can they tell right from wrong. They see "all eating out of the same big pot" and "the iron rice bowl" as the superiority of socialism. They think that it is so "secure" that they do not have to work. They are blind, complacent and conceited. They stick to old ways and worry about their own gains and losses. They are afraid that their interests will be affected by the reform and that they will offend people. They think that reforms are other people's business and have nothing to do with them. They just take a wait-and-see attitude. Their morale is low and they just sit and do nothing. They do not have any perseverance and they draw back when they meet obstacles or get sarcastic comments. Chen Xitong said it should be noted that the masses of the cadres and people are willing and eager to reform. The real and predominant situation is that a large group of comrades is trying to break through barriers and open up new ways.

However, attention should also be paid to the above misconceptions. He urged cadres at all levels to increase their knowledge of reform and to catch up with the actual situation. They were also urged to support, promote, take part in and take the lead in instituting reforms. He believes that the experience gained from the reforms underway proves that the earlier the modernizations, the better. We will have no way out if we do not reform. The reform movement is surging forward irresistibly.

When asked about what we should do next, Chen Xitong said that first of all the cadres above municipal committee, district, county and bureau level should study and comprehend the relationship between the reform movement and the modernizations, understand more the importance and urgency of the reform movement, correct guiding ideology and sum up historical experience. They should also link up ideological reality with working reality and identify the difference between the two. They should further emancipate their minds and eliminate "leftist" influence. Their reform plan should tally with the essence of report. They should reform resolutely while learning. They should be consistent and should strive for efficiency. All departments, sections and units should identify their own breakthrough point, set priorities for easier reform items and institute reform step by step. The leading economic departments at the higher levels should fervently support the reform movement and lead the masses of the people to reform. We should carry out our reform movement in a firm and orderly way. We should also make sure that our reform movement does not contradict our present production and work. We should pay special attention to our production and work with great political awareness and sense of responsibility for revolution.

The meeting was presided over by Secretary of the Municipal Committee Jiao Ruyu, and attended by the First Secretary of the Municipal Committee Duan Junyi and Secretary of the Municipal Committee Zhao Pengfei, along with leading cadres from the municipal government.

#### HEBEI RIBAO ON SPECIALIZED, KEY HOUSEHOLDS

HK170801 Shijiazhuang HEBEI RIBAO in Chinese 25 Jan 83 p 2

[Report: "Develop Specialized and Key Households and Various Forms of Cooperative Economy"]

[Text] Since the implementation in our rural areas of the system of contracting all-round responsibility linking remuneration with output, the diversified economy and the economy of the households of the commune members have developed rapidly. Throughout the province, about 10 percent of the rural households have become specialized households undertaking, by contracts of all-round responsibility or on their own, diversified jobs such as cultivation, breeding, processing, service, transportation or marketing. From the very beginning of their emergence, these households have posed as commodity producers and have provided an increasingly great amount of products for the market, thus they have increased their income and quickly become rich. Along with the development of the specialized households, various forms of economic combinations and cooperative economy have also sprung up. These diverse forms of cooperative economy that have developed on the basis of the system of contracting all-round responsibility linking remuneration with output will certainly continue to develop and improve in the process of practice, promote the all-round development of agricultural economy, speed up the specialization of our agricultural production and the transformation of our rural economy into a commodity economy and thus turn our rural economy into a socialist rural economy with distinguishing Chinese features. This will be a transformation of historical significance.

#### I. Vigorously Support Specialized Households and Households Doing Specialized Jobs

In most specialized households, the principal labor force is engaged in specialized undertakings or the income from specialized undertakings constitutes more than half the total income of the households. These households are characterized by being strongly specialized, having good economic results and turning a large percentage of their products into commodities. Their development facilitates fully utilizing the favorable factors in the natural resources of the local areas, absorbing a large amount of surplus labor and developing diversified economy.

It also facilitates giving play to the wisdom and special skill of the peasants and popularizing and improving science and technology. Moreover, it facilitates breaking the semiself-sufficient economy and promoting commodity production. We must create conditions for, support, give guidance to and give a free hand to the development of specialized households and households doing specialized jobs.

Developing diversified economy should be a joint effort of the state, the collectives and the individuals. Regarding specialized households, we should politically show concern for them, formulate policies to protect them, give them economic support and technical guidance and help them to carry out their production and management. We should organize various forms of professional training; teach science and technology; provide fine species; satisfactorily provide technical services such as prevention of pestilence and elimination of diseases; raise the technological level of production, processing, packing, storing and transportation; improve the quality of the products; and strive to create "well-known brands" so as to strengthen our competitive edge. We should widely circulate market information, open up as many channels of circulation as possible, satisfactorily do the work related to supplies, purchases and marketing and solve the problem of having difficulties in marketing what is in short supply. We should provide funds to support specialized households by means of giving them loans, paying them deposits for contracted sales and giving them technical improvement subsidies or circulation subsidies. Those special households that sell many products to the state can be helped by means of providing more raw materials and more goods that they need for developing production. We should conscientiously popularize mixed fodder, vigorously develop the fodder processing industry with state-run enterprises as the backbone and encourage the collective and commune members to jointly establish fodder processing undertakings in order to satisfy the demand for fodder by the households specializing in livestock breeding. Idle factory buildings and folds can be consigned by contract to specialized households for utilization. We should build, in a planned manner, more fundamental facilities of cold storage and processing to facilitate the circulation of commodities and promote the development of commodity production.

At present, the specialized households are engaged in their specialized undertakings while tilling the farm land assigned to them by contract. This is a practice that conforms to the level of the development of productive forces at the present stage and is favorable to the development of the diversified economy. Therefore, we should not force these households to abandon the cultivation of farm land. Along with the development of production, the time will come when supplies of grain food and a stable market and reliable income for specialized production are assured; then, no demand for assigning land or a demand for less land will spring up. At that time, we can assign less or no farmland or only assign land for producing food grain for their own consumption. Those households having specialized skill in cultivation can be assigned a larger stretch of land with all-round responsibility by contract for cultivation. Thus they will gradually become the households specialized in cultivation. In areas where there are large stretches of mountains, grasslands, water and barren sand and alkaline land, we should conscientiously support the households specialized in exploiting resources and encourage commune members to contract all-round responsibility for individual or joint exploitation. The abler ones can contract for larger stretches and no egalitarianism should be sought in distributing the land. During the initial period of exploitation, we should require them to deliver nothing or only a small percentage of their products to the collective.

## II. Vigorously Develop Various Forms of Cooperative Economy

Rural people's communes, rural production cooperatives and various forms of cooperative undertakings of production, purchase and marketing, credit, consumption and other services are all cooperative economy of a socialist nature. At present, the cooperation and combination of three or five households assigned all-round responsibility by contract for the utilization of farm animals, farm tools and mechanized wells and for cultivation and sideline undertakings plays an important role in developing production and we should encourage this kind of mutual assistance and cooperation.



At the same time, we should gradually guide the economy of households and groups that are assigned all-round responsibility by contract and the specialized households in developing various forms of ties with the collective economy and the large-scale economy of state industry, agriculture and commerce and with the production and consumption of large and medium-sized cities so as to bring them into the orbit of the state plans.

Various forms of cooperative economy have already emerged in many areas in our province. Their main forms are:

1. The people's communes and agricultural production cooperatives in which the system of assigning all-round responsibility by contract linking remuneration with output and in which government administration has been separated from the management of the communes, are still cooperative economy collectively owned by the laboring masses. They are still in charge of the functions of managing land, water conservation facilities, production, public accumulation, levying funds for the community and beneficial public undertakings and signing contracts and providing technical and economic service.
2. There will be some economic combinations based on purchase and marketing cooperatives. An experiment of reforming the purchase and marketing cooperatives has already been carried out in Wangdu County and this reform should be completed throughout the province in 1 or 2 years in order to restore these cooperatives' nature of cooperative commerce and turn them into mass organizations with democratic administration and flexible management. These purchase and marketing cooperatives will build up various economic ties with the rural households that have been assigned all-round responsibility by contract and the specialized households and develop various forms of joint ventures of production, processing, storing, transportation, purchase and marketing and service. This will probably become a main form of the cooperative economy which will provide comprehensive service.
3. There will be economic combinations on the base of commune and brigade enterprises. The commune and brigade enterprises, combination companies of agriculture, industry and commerce and the marketing departments for the sale of and warehouses for the storage of the products of commune and brigade enterprises are all collective economy. They are the pillars of many lines of collective economy. We should make a good job of restructuring and reforming our commune and brigade enterprises, strengthen their democratic management and the supervision of the masses over them, establish various forms of the system of contracting all-round responsibility with remuneration linked with production and thus give full play to their nature as cooperative economy. We should carry out, in a widespread manner, economic combinations. Communes and brigades can combine with one another equal percentage of funds, materials, goods and labor force transferred from the production teams can be transformed into shares according to the value of the funds, materials and so on and the profits will be divided among the shareholders in the form of dividends. Communes and brigades can form combinations with specialized households, purchase and marketing cooperatives or state-owned enterprises. Economic entities of the same trade can also form combinations and establish companies of that trade.
4. There will be combinations of agriculture, industry and commerce formed on the basis of state-owned industry. The combined management of agriculture, industry and commerce in Fengning Sugar Refinery, Xingtang Milk Products Factory and Baoding Canned Food Factory has already provided experiences in this sphere. The development of rural commodity production has given rise to an urgent demand for improving and developing the processing industry. All the state-run sugar refineries, breweries, canneries and milk products factories that use agricultural and sideline products as raw materials should enlarge their combinations with the peasants and satisfactorily establish and run, jointly with the peasants, production bases of raw materials.



They should form complete sets of equipment and facilities for providing technology and funds and for carrying out processing, storing and transportation.

5. There will be economic combinations formed by state-run commerce and foreign trade departments with communes, brigades, production teams, specialized households and their combinations. There have already been quite a few combinations of this type and we should continue to enlarge and develop them. Concerning the agricultural, sideline and local special products and handicrafts -- the trade which is run by state commerce and foreign trade departments -- we should set up production bases for them and combinations of agriculture and trade. Foreign trade departments can adopt the pattern of making foreign goods through processing foreign materials, manufacturing according to foreign samples and assembling foreign components to organize specialized households, commune and brigade enterprises and cooperatives to produce commodities for export. This should be encouraged and popularized.

6. The economic combinations of state agricultural forestry, animal husbandry and fishery farms with the communes, brigades and specialized households around the farms have already emerged and we should continue to make experiments of establishing and running these combinations and conscientiously popularize these combinations. We should pay particular attention to satisfactorily carrying out combinations in exploiting resources and processing agricultural products. We should vigorously develop combined management of the freshwater fish breeding in large and medium-sized reservoirs with saltwater fish breeding on the beach along our coastline.

7. Specialized transportation and marketing households and communes and brigade enterprises can organize their trucks, tractors and other vehicles and establish transportation cooperatives. They can also establish transportation companies to carry out joint ventures of loading, unloading, freight and transportation with traffic and transportation departments. Combinations of the state, collective and peasants and of peasants independently developing transportation and storage facilities and establishing enterprises to run these facilities are worth encouraging.

8. It is a good practice that relevant county and commune technical departments provide services in the form of paid technical cooperation for households assigned all-round responsibility for agricultural production. In some areas, these departments have gradually developed into service companies of seeds, plant insurance, veterinary insurance, agricultural machines and irrigation. We should first form organizations of this kind of combination and gradually enlarge the business of these organizations. We can also establish such organizations step by step from lower to higher levels.

9. Various forms of new economic combinations formed by specialized households and households doing specialized jobs on the basis of voluntary participation and mutual benefit have continuously emerged. These combinations have combined a large number of dispersed producers and thus formed a new and more powerful productive force. We should enthusiastically show concern for and conscientiously help these combinations and thus enrich the form and content of cooperative economy.

10. Combinations of individual industrial and commercial households are also cooperative economy. We should pay attention to maintaining the distinguishing features of these combinations.

In order to develop new economic combinations, we should gradually link urban areas with rural areas and carry out comprehensive management of agriculture, industry and commerce and of production, purchases and marketing. This can be a joint venture related to the whole process of the production or it can be a joint venture concerning only matters before or after production such as joint ventures related to marketing and purchase, processing, storage, transportation, technology or funds.

The joint ventures can be carried out between enterprises of different kinds of ownership, in different communes or brigades, of different trades or in different areas. One individual, household or unit can participate in a number of different kinds of joint ventures. The joint venture of enterprises of different ownership will not change the original nature of the ownership and the subordinate relationship of the participant enterprises.

Various forms of cooperative economy have already emerged and the trend of their development has manifested itself. It is wrong as well as impossible for us to fix all the steps and concrete forms for future development. We must rely on the wisdom and creativity of the masses of peasants for their further development.

### III. Conscientiously Implement the Various Principles and Policies Related to Specialized Households and Cooperative Economy

In developing specialized households and diverse forms of cooperative economy, we should continue to emancipate our minds according to the spirit of the 12th party congress and smash the long-standing fetters of "leftism" and the ideological habits of sticking to the old ways. Forming new economic combinations is neither a repetition of the old practice of "indiscriminately merging small entities into big ones," nor a return to the old forms of forming communes, brigades and production teams. Therefore, we should never form combinations by forceful means or before conditions are ripe. Nor should we seek uniformity in forming combinations. On the contrary, we should form combinations on the basis of the implementation of the system of contracting all-round responsibility and with an aim to meeting the demand of the economic development and to satisfy the desire of the masses. These kinds of combinations can only be formed by adroitly guiding actions according to circumstances and creating the necessary conditions.

All the prefectures, cities and counties should formulate, in accordance with the conditions related to resources and the social demand, their economic development plans and establish a number of production lines that combine agriculture, industry and commerce or a few sets of service trade. All the counties should rationally organize in the manner of taking the whole situation into account, their urban and rural undertakings of industry, agriculture, commerce and transportation and the production, processing, purchase marketing and transportation of the state-owned and collective enterprises and specialized households in order to avoid blind development, duplicated construction, pushing advanced enterprises out with backward ones or waste of resources. The departments of planning, finance, commerce, industry, communications, agriculture, culture, education, and science and technology at all levels should conscientiously serve the specialized households and various kinds of cooperative economy.

Concerning the combinations that have already been established, we should strengthen our guidance for them and help them to sum up experience, improve their administration and management, facilitate the circulation of their products and formulate rational methods for the distribution of their income and profits in order to continuously improve and perfect them. After satisfactory examination and investigation, the industrial and commercial administrative departments should issue a "certificate of trade for cooperative economic entity" to a new combination and should treat the combination as being equal to commune and brigade enterprises in all aspects including management, taxation, the provision of credit and supply of materials.

Within a combination, we should conscientiously implement the economic contract system. A combination can be a slack one of a changing nature or a centralized one in a stable form of cooperative or company. In a cooperative or company, we can implement the system of managers being in charge of everything and subject to the leadership of the congress of shareholders (commune members) and the system of contracting all-round responsibility to all production and management personnel with remuneration linked with output. The management personnel of a combination should be elected in a democratic manner by all the participants of the combination.

The specialized households that have been assigned all-round responsibility for a production undertaking by contract should deliver various kinds of levies according to regulations. The households doing the specialized jobs on their own having some ties with the collective should fix a rational percentage of levies through democratic discussion. The specialized households must bear their share of the social labor and expenses that are needed by the collective.

In accordance with the law, we should protect the legitimate position and economic interests of the specialized households and the various kinds of cooperative economic entities. No one is allowed to seek egalitarianism to demand delivery of profits from these households and entities or to collect funds, materials or goods from them at will. No one is allowed to make up pretexts to collect shares of profits from them without authorization. No one is allowed to interfere or restrict them without authorization or encroach on their decision making power. We should teach all these households and entities to consciously observe policies and decrees, accept the guidance of the state plans, correctly handle the relationships between the state, the collective and the individual, obey market management, pay attention to professional morality and strictly refrain from undermining natural resources.

We should implement the relevant regulations of the central authorities in handling the problems that have cropped up in rural areas and are related to the employment of apprentices and assistants, the undertaking by individuals of long-distance transportation of goods for sales and of commerce and the purchases by individuals of automobiles or tractors and the purchases, processing, marketing and sales of first, second and third categories of agricultural and sideline products. If there are no definite regulations related to these kinds of problems, we should strengthen our investigation and study of these problems and conscientiously make observation and analysis and we should not handle these problems in a simplified manner or try to solve them in haste.

#### HEBEI RIBAO ON PROMOTING AGRO-TECHNOLOGY

HK170629 Shijiazhuang HEBEI RIBAO in Chinese 25 Jan 83 p 2

[Report: "Strengthen the Work of Popularizing Agro-Technology"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, production enthusiasm among the board masses of the peasants has increased tremendously, and is ideal for the demands of technology. One important, pressing and long-term task for the promotion of agricultural development is to make agricultural science and technology a strategically important item along with efforts to speed up the development and sophistication of agro-science and technology so that every means may be sought to completely satisfy the peasants demands in terms of technology. All levels of leadership in the party and the government must adopt effective measures to destroy the chains of "leftism," to strengthen and restructure work aimed at publicizing technology and continue to create further development in the opening up of new eras in agriculture.

#### 1. Develop Intellectual Resources in the Countryside, Develop Technological Exchange Among the Masses

Every kind of capable production worker and skilled worker represents an important technical force in agricultural production, and full expression must be given to their role. This year every region and every county must organize relevant departments and sectors to investigate intellectual resources in the countryside. Technologically talented workers and personnel in agriculture, forestry, animal husbandry, fishery sideline industries and all other industries should be registered. After examinations and careful consideration peasant technical personnel and workers should receive certificates or teaching positions.

We must encourage and support them to set up technical specialized households, scientific and technical exemplary households as well as joining in village scientific investigative meetings and developing technical contracts. Such contracted work can be carried out in their own communes and brigades and in addition they can advertise in newspapers and in this way carry on contractual work in other areas. In addition, individual accumulated funds may be used to engage specialized and technical workers, while all kinds of technical service organizations are set up. These technically skilled people must be encouraged to either collectively or individually set up study groups and enroll the masses to study at their own cost.

We must actively organize technical exchanges and cooperation between regions and between county communes. Backward brigades should be aided by helping them take on teachers and technical trainers so as to improve production technology. High output areas should be organized into drawing up contract agreements and developing various services as well as producing and exporting to other areas production increasing machinery and technology. Import and export of technology among the regions will ensure that technical levels improve in all areas.

## 2. Thoroughly Assimilate Experiences and Actively Publicize the Technical Contract Responsibility System

In the last 2 years the province has been carrying out pilot schemes in agriculture involving technical contract responsibility systems and the results have been good with increased agricultural output, higher earnings for the masses and awards for technical personnel and workers. These represent important changes in the work of publicizing technology and are also effective measures for increasing the acceptance of agricultural science and technology. All departmental levels connected with agriculture, forestry, animal husbandry, aquatics, water irrigation and conservancy and agricultural machinery should ensure that a large batch of technical cadres leave their offices and go into the first line of production, integrating with the peasant technicians and drawing up technical contract agreements with brigades of agricultural households. Technical cadres in all levels of agricultural administrative offices and organizations should all go to the countryside (with the exception of a small number left to run day-to-day tasks) to organize technical contracts. All the cadres publicizing technology should also organize technical contracts. Newly graduated students from agricultural colleges or technical schools should also first do technical contract work. During 1983 there should be at least 2/3 of the total number of technical cadres going to the countryside to develop composite technical contracts or specialized technical contracts. The amount of land used in technical contract work in agriculture should aim to be as much as 1/3 of the total land area in the entire province used in agriculture. Contract spheres and amounts in other industries should also be extended and increased. Every technical contract should aim to be a model for technological publicity so that its technology is superior to that of the surrounding brigade and that its economic results are better than the surrounding brigade. The domain of the all-round contract system should be gradually expanded with contract items and programs increasing while the quality of service also improved.

Research units should also actively publicize and encourage the research contract system, establishing production and scientific technical combinations. Investments and time and limits for every research program must be clearly defined while the motivation and enthusiasm of the scientific and technical personnel must be brought to play in carrying out key work so that scientific work in agriculture is successfully carried out. Spiritual and material rewards should be bestowed on those who make clear research developments and promotions made in accordance with economic treatment and attitude. Those who do not make significant progress or achieve results over long periods of time should undergo assimilation training while in some cases their work should be readjusted to conform with their poorer attitude to their work in order to encourage them strive harder and more quickly for results.



## 3. Set Up All Kinds of Technical Service Centers To Directly Serve Production

A technical service center of "company" is a direct embodiment of the cooperative economy. Making use of advanced technology and economics and the contract style, it closely unites the technicians and the peasants. On the basis of publicizing and promoting the technical contract system of responsibility, agriculture, forestry, animal husbandry, sideline industries, fishery and all other kinds of industries should establish technical service centers. At present the first task is to put great effort into developing seed centers, plant protection centers, catering centers, etc. while also actively developing other centers concerned with irrigation and drainage, agricultural machinery, methane, fowl-raising insurance, agricultural by-product processing, etc. Those already set up should improve their management and administration, consolidate themselves and improve. Some newly set up service centers could organize themselves with the relevant units or stations to have one team of workers under two names. Others can first build a rough outline, try some trial runs and pilot schemes, gradually gaining some experience and thus also gradually improving and perfecting themselves. We must advocate the establishment of such centers with many different styles and work methods so that some are state-run and others collectively run, making sure they are restricted by regional borders but that all of them can expand into intercounty and provincial services. Not only should these service centers carry out contracts with the masses but the centers themselves should also internally carry out the system of contracted responsibilities. Some may implement enterprise-management and others unit-enterprise-management. With the aim of making things easier for the masses and benefiting production, production costs assessments and accounting should be done with the full use of all economic means available and with the development of competition the work of publicizing technology will be facilitated. The income of these service centers should be used to develop themselves further. All financial departments should provide full support for service center's initial development fees and circulating funds. They should receive preferential supplies of necessary production materials and technical materials such as chemical fertilizers, pesticides, molds, machinery, etc. They should also be allowed to enjoy the privilege of wholesale prices for such things.

## 4. Develop Training in Agro-Technology and Ensure Successful Promotion of Science and Technology

Without a vast number of experts who have grasped and understand modern science and technology, and without promotion and popularization of science and technology, there can be no modernized agriculture. We must come to grips with the tactical problem of investing in intellectual strength and fostering and establishing talented technicians in agriculture. Planning on a provincial, regional and county level should be done according to training needs with training being carried out in phases. At present emphasis should be placed on technical training work at the grassroots level. The Province now has around 5 million graduates from junior and senior secondary schools in the countryside and they represent a force that should not be ignored. They should be reeducated and further educated with technical knowledge so that their technical levels are raised. All communes should continue the examples and experiences made by Xidongzhuang commune in Funing County, who set up all kinds of peasant technical schools according to local needs. Every area should continue to develop schooling through radio, correspondence courses and various training courses, concentrating on the training of middle school graduates living in the countryside so that after a few years of training they may reach a semi- or even fully specialized level, thereby becoming specialized and talented workers. There is also a need to come to grips with training work among the grassroots cadres so that their standards of science and technology as well as their levels of administration may constantly improve. All levels of mass organizations, such as the CYL and the women's organization should actively mobilize their members to participate in all kinds of technical training courses and practical scientific training activities so that in their popularization of various aspects of science and technology free expression may be given to their important backbone and exemplary roles.

This year agriculture, forestry, animal husbandry, sideline industries, fishery and other industries should all concentrate on the popularization and publicity of technical forces to organize mass training in technical skills, lecturing and teaching technical knowledge and operational skills vital for production in specific areas.

It is important that the popularization of technology is carried out well. All levels of agriculture, scientific academies, and propaganda and publishing sectors should organize their forces to carry out planned writing and publication of technical books in serial form as well as reading of a more popular nature. In addition there should be technical charts and photographs as well as technical films. Greater use should be made of TV, radio, film and newspapers to popularize scientific and technological knowledge among the masses. We must come to grips with agricultural education. Existing agricultural colleges and technical schools should be well-organized on both a provincial and regional level with improvements to teaching conditions and to the quality of the teaching. Agricultural colleges and technical schools should ensure that on-the-job training of cadres becomes an integral part of their teaching format. On a county level it is important that restructuring of middle and high school education is well carried out with the setting up and organization of agricultural technology secondary schools and agricultural secondary schools so that in this way the countryside may have a constant supply of technically skilled workers.

#### 5. Popularization Should Be Well-Planned and Popularization Steps Speeded Up

In this province 2/3 of the counties have medium to low production levels of market grain, cotton and oils. Throughout the whole province afforestation areas, output of fresh fruit, cattle grazing land and fish catches and production are all relatively low. Experiences shows us that simply by giving thorough publicity to existing technology there will be enormous increases in output even to the extent of quadrupling. For this reason we must exert ourselves to popularize existing advanced technology in areas such as agriculture, animal husbandry, forestry, fishery and sideline industries. At the same time we must also popularize new breakthroughs in technology. While making full use of traditional technology we should also take advantage of modernized technology. We must learn about technology for production increase in marshy areas, technology for production increases in dry areas, seed selection and breeding and technology for processing industries. Every region and county should objectively examine their present situation and make a thorough examination of their resources, divide agricultural work into districts and draw up long term and annual plans for the popularization of agriculture. Not only should there be plans for each industry such as agriculture and forestry, but there should also be a composite balanced plan. Deciding where emphasize popularization work should be made according to local needs and conditions, and aimed at clearing up important needs in production and raising economic results.

Research and scientific departments should give support to the principle of production catered to specific needs, formulating research plans in separate stages for a period up until the year 2000. Steps in scientific research should be speeded up with new achievements and results in such research being constantly made, ensuring that there is an ample technological reserve or store, thus there may be constant improvements in technology.

#### 6. Widen Our Field of Vision, Bring in Advanced Technology From Outside the Province and Abroad

Not only must we work hard to popularize scientific and technical knowhow that we already have, but we must also improve our work in agricultural scientific and technical information. Thus we actively import advanced technology from outside the province and indeed abroad. We must initiate subscriptions to provincial and national magazines and so forth which deal with agricultural technology.

We should visit, inspect, carry out pilot schemes with and import all useful agricultural technology. Scientific research departments should organize and involve experts in agriculture and experts in foreign advanced technology and agricultural scientific and technological trends. We should organize projects making use of overseas resources so that we may accumulate experience and gradually expand our use of overseas resources.

7. Continue To Implement Policies Concerning Intellectuals and Activate the Enthusiasm of Scientific and Technological Workers

Intellectuals represent a precious treasure house for the party and they are an important force to be depended on in the four modernizations construction program. We must continue to eradicate "leftist" influences and correct the erroneous tendency to ignore intellectuals and knowledge which has existed for some time now by implementing government policies related to intellectuals. All party and government levels should make thorough investigations into the spirit of the documents published by provincial parties and governments concerning the present situation of implementation of policies related to intellectuals. Thorough investigations should be made of technical cadres not involved in teaching and not in charge of any department and they should be returned to their original professions. Those who satisfy party requirements should be drawn into the party so that they may play a leading and model role in the four modernizations construction program. Those young and middle-aged technically specialized cadres who are both talented and in possession of political integrity and have organizational and leadership qualities should be elevated and promoted to positions of leadership in every level. Every enterprise should be run by knowledgeable and technically expert cadres who have a high level of politicization and strong organizational powers. Every region should select as quickly as possible a batch of young and middle-aged people with a cultural level of senior middle school or above and a certain amount of scientific understanding and practical experience to enrich grassroots leadership groups.

We must encourage technical cadres to go to the grassroots and to problem areas. All those who are carrying out necessary research work in the first line of production, and making progress in developmental research and the popularization of technology should all be commended and rewarded. The remuneration they have earned in carrying out the technical contract system of responsibility must be honored. We must gradually improve the work conditions and living standards of technicians at the grassroots level. All technicians working below county level should be provided with rank subsidies and necessary work insurance and so forth. Every level of agricultural departments should improve their ideological work with technicians. Yearly assessments should be made of achievements in scientific research or popularization work which should be entered into their assessment files and used as a basis for future decisions concerning promotion and so forth, and thus encouraging them to develop in both a communist and specialized direction.

Distribution of agricultural graduates from middle school and colleges should be carried out according to specialization and need. These graduates must be encouraged to work in units on every level of the cooperative economy. After having gone to collective economic units they still remain state technical cadres and their rank and technical grade should be evaluated according to state regulations concerning technical cadres. While enjoying treatment offered state technical cadres, their wages will be paid by the collective economic unit and these wages may be higher than the standards set by the state.

8. Every Enterprise and Unit Should Jointly Come to Grips With Work in Agricultural Technology.

The peasant masses have a vital and urgent need for science and technology and their need of new scientific material and technological equipment is also increasing and thus this is a task presented to every enterprise and unit to be sorted out.

All departments should effect a major change in their guiding ideology, restructuring irrational management systems, changing work methods, improving work style, actively and earnestly striving to serve the peasants, to serve the grassroots levels and to serve production. Industrial sectors should actively study and import new technology and new industrial methods, trying hard to expand production capacity of such products as fertilizers, pesticides, pesticide machinery, molds and agricultural machinery all of which have been warmly welcomed by the peasants. In addition, output and quality should be improved and new products manufactured. Resources, commercial and supply and marketing departments should ensure healthy supplies of goods and materials for production. The financial department should annually increase funds for agricultural technology. Every department should concentrate on fulfilling the needs of the peasants and carry out further work in popularizing science and technology. Agriculture, industry and commerce should coordinate a composite technology demonstration area, coming to grips with essential construction work for agricultural products and continuing the through organization of existing modernize agriculture pilot schemes in various counties. With communal work on every side agricultural technological work in our province will see a new era of development.

NEI MONGGOL FOLLOWS HU'S CALL ON MOBILE TRADE

OW111315 Beijing XINHUA in English 1149 GMT 11 Feb 83

[Text] Hohhot, February 11 (XINHUA) -- Five thousand mobile trading groups are bringing manufactured goods and other commodities to the vast pastoral and farming areas of Inner Mongolia in time for Spring Festival, the traditional Chinese holiday which falls on February 13 this year. These "mobile shops", which are on trucks, tractors and motorcycles, carry goods needed by the herdsmen and peasants and also purchase from them livestock and agricultural products.

The Inner Mongolia Autonomous Region covers an area of 1.2 million square kilometers, over sixty percent of which are grasslands. The region ranks first in the country in the number of livestock.

Since many of the people tending sheep and cattle in Inner Mongolia live a somewhat nomadic existence, it is difficult for them, especially those in the remote areas, to purchase daily necessities and to get sideline products to market. The herdsmen and their families sell such products as furs, mushrooms and medical herbs.

On a inspection tour of Inner Mongolia last summer, Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party, suggested that mobile trading groups be organised to help solve the problem.



PREMIER SUN INTERVIEWED BY SAUDI NEWSPAPER

OW181933 Taipei CNA in English 1432 GMT 18 Feb 83

[Text] Taipei, Feb. 18 (CNA) -- Premier Sun Yun-hsuan has stressed to further strengthen the Sino-Saudi friendship and cooperation in an interview with Thamer al-Maiman, managing editor for political affairs of AL-MEDINA newspaper, the biggest circulation Arab-language daily in Saudi Arabia.

The interview in question-and-answer form, which will be published Feb 19 jointly by AL-MEDINA and the leading Saudi English-language newspaper ARAB NEWS, has also reiterated the Republic of China's basic national policy in addition to giving a general review on the world situation.

Jordan, Egypt and the states in the Gulf area, is an influential newspaper, and its political reports are considered authoritative and highly respected by the political leaders in the Middle East. [sentence as received]

Accompanied by Dr James Soong, director-general of the Government Information Office, Al-Maiman interviewed Premier Sun on Feb 10.

During the meeting, Premier Sun warmly welcomed Al-Maiman by stressing that the Sino-Saudi relations have surpassed the stage of "friendly nations" to become "brother nations."

Full text of the interview with Premier Sun is as follows:

1. Q. How do you view the relations between Washington and Peking?

A. Ideologically, the United States is a world apart from the Chinese Communist regime. Their association is a marriage of expediency. They will never attain genuine friendship and cooperation.

2. Q. Can you explain the nature of your relations with Arab states?

A. The Republic of China and the Arab states have a long-standing historical and cultural relationship. As a result of this lengthy contact, they have absorbed each other's cultural essence, assumed a similar anti-communist stand and embraced common moral principles. On the basis of these identical interests, they have contributed greatly to the cultural progress of mankind. Moreover, our countries have a deep understanding of the communist threat to Islamic culture and Chinese culture. We have attained a state of close cooperation and friendship.

3. Q. Can we know how you view what happened in Lebanon?

A. The Republic of China cherishes peace and freedom. We believe the interests and dignity of Middle Eastern peoples should be upheld and that the peace and stability of the Arab nations should be effectively guarded. Lebanon is no exception. Military interference by any nation constitutes a grave breach of the ceasefire. This will increase tension in the Mideast and jeopardize the peace and stability of the region. We think any such action should be censured and effectively halted.

4. Q. The U.S.A. no longer recognizes you. Has this had any repercussions on your relations with Western Europe?

A. It is true that U.S. recognition of the Chinese Communist regime has had strong repercussions on our external relations. But this has not had so much effect on our relations with Western European nations. We believe our strengthening of economic, trade and cultural ties with Europe benefits both sides.

The facts bear out this assessment. Our relations with Western European nations have been developing rapidly in recent years. Today the Republic of China has cultural, economic and trade, and scientific and technological offices in 14 European nations. Eight European nations have established 10 offices in the Republic of China. Furthermore, six European banks have set up branches in Taipei. This shows that relations are becoming increasingly closer.

5.Q. Many radical changes have taken place as a result of the Cultural Revolution in Communist China. Did this have any implications outside mainland China?

A. Since the Chinese Communists seized the mainland, they have inflicted untold damage on the Chinese cultural tradition and social system. This has brought poverty and backwardness to the Chinese mainland. The Cultural Revolution was nothing less than condoned vandalism. During a decade of turmoil, the Chinese Communists reaped a harvest of notoriety. Since the Cultural Revolution, the Chinese Communist regime has had to make slight policy changes in an attempt to heal their wounds and quell the resistance of the people. At the same time, they have tried to take advantage of the changes to extract capital and technology from the West. We must understand that the Chinese Communists are still sticking to their so-called "four cardinal principles" of the socialist road, dictatorship of the proletariat (the term was changed into the people's democratic dictatorship in the new Constitution in an effort to gloss over the reality), leadership by the Communist Party, and Marxism-Leninism and Mao Tse-tung Thought. This indicates that the essence of Chinese communism and aggressive nature of its regime have not changed. These four principles were roots of communist evil in the past. Unless these causes of trouble are removed, no Western nation can harbor any illusions about the Chinese Communist regime.

6.Q. What is your stand on the arms race between East and West?

A. We believe the arms race between East and West, including regional arms races, stems mainly from the militarism and expansionism of communist nations. The race will not slow down until the communist nations have given up their expansionism.

7.Q. What are your main projects for development in rendering nationalist China a modern state?

A. In the course of our national modernization, we made agricultural development the foundation of our industrial development and have progressed from the past development of light industry to the technology-intensive and heavy industry of the present so as to upgrade technology and restructure industry.

The ten major construction projects, launched when President Chiang Ching-kuo was serving as a premier, have been completed. Now we are employing our accumulated technical experience and trained technicians to pursue twelve follow-up projects. These place equal emphasis on economic and cultural progress. Besides the construction projects, the government plans to set up more than 60 cultural centers across the island. All major cities and countries will have their own libraries and cultural centers to contribute to and raise the people's quality of life. Additionally, we have been fostering school and social education to promote modernization based on the Chinese cultural tradition and thus avoid the ills of wholly materialistic modernization found in the lifestyles of the developed nations.

8.Q. Southeast Asia is a region of ideological conflicts. Do you support any certain ideology?

A. Since the communist conquest of Vietnam, Indochina has become a sphere of Soviet and communist Vietnamese influence and expansion. Although the Chinese Communists are at odds with the Vietnamese Communists, they have never relinquished their plans for expansionism in Southeast Asia. Now the Southeast Asian nations are confronted with new communist threats. Southeast Asia is rich in natural resources and very important to the security and peace of the free world. We therefore support the intention and determination of the Southeast Asians to resist communist aggression.

9.Q. Do you foresee a Sino-Soviet detente in the wake of Brezhnev's death? Will this have any effect upon you?

A. The relations between the Soviets and the Chinese Communist regime are subtle and complicated. They are characterized by both conflict and cooperation. They fight over leadership of the communist world but share the same ideology. Both advocate international revolution and have made world communication their ultimate goal. [sentence as received] Even if there is an indication of temporary rapprochement, this is merely a gesture in their process of presumed unity and active struggle to deceive and blackmail the United States and Western European nations who fear Soviet Russia. We think it is unnecessary to pay too much attention to the agreements and schisms between the Soviets and the Chinese Communist regime. Rather, we should determine whether they have abandoned their ambition and conspiracy to communize the free world. If they have not changed, we should heighten our vigilance against their continued endeavors to communize us.

10.Q. How do you view the Arab and Islamic issues?

A. We admire the vigorous and constructive efforts of His Highness King Fahd ibn 'Abd al-'Aziz al Sa'ud to ensure justice and lasting peace in the Middle East. The Government of the Republic of China has repeatedly and publicly announced its support of your country's peace plan. We consider it a practical formula for solving the Middle Eastern issues. We hope sincerely that the various parties concerned will undertake a common effort to solve the problem on this basis at an early date.

#### CHINA POST WELCOMES U.S. ARMS SALES RESUMPTION

OW181407 Taipei CHINA POST in English 12 Feb 83 p 4

[Editorial: "Resumption of U.S. Arms Sales to ROC"]

[Text] The revelation Wednesday that Washington has resumed its arms sales to the Republic of China by shipping 23 F-104 Starfighter interceptors to the Republic of China in December is most welcome. Another batch of 43 fighters will be sent to the ROC later on.

The ROC Air Force already has a number of F-104's and the new shipment will serve to replace the older planes now in service. The Lockheed Starfighters are comparable to the F-5E's being coproduced by the ROC Air Force with the U.S. Northrop Corporation. The 20-year-old planes were first sold to West Germany for use as training aircraft and were recently returned to the United States as a part of the original deal. They do not have all-weather capability and do not carry advanced electronic equipment.

The State Department, in announcing the sales, stressed that the Starfighters will replace aging aircraft now in the ROC's inventory and it is an "ongoing program which has been under way for several months." It said that "this goes along with what the administration said it was going to do in the type of plane it would sell to Taiwan." The statements were obviously directed to the Peking regime which the U.S. State Department does not wish to offend.

It is a great pity that the United States has been so overly concerned about the feelings of the Chinese Communists as to base its foreign policy moves on Peking's feelings. Peking has been expressing its views quite bluntly, accusing the United States of seeking world hegemony and many other "wrongdoings." It does not hesitate to blackmail the United States into forsaking its friends and former ally and even adopting actions detrimental to U.S. interests.

On this latest U.S. arms sale to the Republic of China, Chinese Communist "Foreign Minister" Wu Hsueh-chien stated at a press conference that he was studying the sale to the ROC to see "if it violated the August 17 joint communique." He also said that Red Chinese-U.S. relations can develop only if the United States starts scaling down arms sales to the Republic of China.

Thus the United States should recognize that the August 7th joint communique gives the Peking regime an excuse to respond to U.S. foreign policy moves in that light. If the Reagan administration wishes to recover its foreign policy independence and initiative, it should tell the Peking regime not to interfere with U.S.-ROC relations.

The American people should urge the U.S. Congress to watch out for any move by the Chinese Communists to interfere with the implementation of the Taiwan Relations Act, which obliges the U.S. President to supply the ROC with weapons and arms for its self-defense. They should not permit the Chinese Communists to have any voice in its implementation. The Chinese Communists have demanded that U.S. Secretary of State George Shultz annul the Taiwan Relations Act. It is an outright interference with the administration of U.S. law. The American people should not tolerate it.

#### CHINA POST EDITORIAL ON SHULTZ' BEIJING VISIT

OW150251 Taipei CHINA POST in English 8 Feb 83 p 4

[Editorial: "Shultz' Futile Visit to Peking"]

[Text] U.S. Secretary of State George Shultz' four-day visit to Peking turned out to be a futile trip with little tangible progress made in his talks with Chinese Communist officials.

Secretary Shultz' departure from the Chinese mainland was not marked by any joint communique lauding the results of the talks but was greeted by Peking's commentary Sunday denouncing U.S. arms sales to the Republic of China and demanding "actual deeds" rather than "empty words." It also said that his visit has helped Red China-U.S. relations to some extent in that it provided an opportunity for a full exchange of ideas and understanding of each other's positions and views.

But the commentary admitted that their differences over Taiwan and other bilateral issues remain. It focused on the problem of continuing U.S. arms sales to Taiwan. It said that Red Chinese leaders told Shultz that the Taiwan Relations Act, which provides for arms sales to the ROC, should be annulled.

The raising of this issue was what we had predicted even though Secretary Shultz considered this question as having been thoroughly discussed before. The Chinese Communists have also launched a series of complaints including complaints about discriminatory and restrictive U.S. policies in economic, trade, cultural and technological exchanges. They called them discriminatory to developing nations. They told Shultz that "an overriding issue now is the establishment of mutual trust, and actual deeds rather than empty words and promises are essential if relations are to be developed and mutual trust and confidence established."



On Shultz' part, he remained reticent and did not reveal much about the substance of his talks. He only told the press conference Saturday that his visit has contributed to mutual trust and confidence but he did not say any bilateral problems were close to solution. But he did admit that his visit enriched the dialogue, "set the stage and launched the process for better relations, but went no further."

Secretary Shultz must have been a good listener in listening to all the complaints raised by the Chinese Communists. If the Peking regime's leaders expected to subdue him with rhetoric and complaints, they were wrong. For Secretary Shultz proved to be not only an intelligent listener but also a firm position holder. Apparently, he did not yield to Peking's high pressure tactics.

Shultz' meeting with Peking's "Defense Minister" Chang Ai-ping may be said to be the only meeting with some tangible results with both sides agreeing to a regular exchange of visits of military delegations even though there was no announcement of any arms deals.

It must be noted that much remains unannounced and whether Secretary Shultz promised anything in Peking to its leaders in the four days of talks remains unknown. Perhaps, more will be revealed as he returns to the United States and reports to President Ronald Reagan and the U.S. Congress. It shows, however, that the Chinese Communists have overplayed their hand at this card game of attempting to persuade the United States to sell Taiwan down the river and annul the Taiwan Relations Act.

The fact that President Reagan did not accept the Chinese Communist invitation to visit the Chinese mainland this year in return for Chao Tzu-yang's visit to the United States this fall shows that President Reagan's realistic diplomacy is not easily swayed by Peking's united front ploy.

For the first time, a U.S. secretary of state went to the Chinese mainland, met Chinese Communist leaders, attended banquets at the Great Hall and left the Chinese mainland in dignity without kowtowing to Teng Hsiao-ping or other Chinese Communist leaders. Shultz came out of the Chinese mainland with U.S. prestige unharmed and uncompromised as a secretary of state should do. His dignified and excellent behavior provides a sharp contrast to his predecessors who did much to lower U.S. prestige in the Asian and Pacific region.

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